THE
Freeman
IDEAS ON LIBERTY

MARCH 1964

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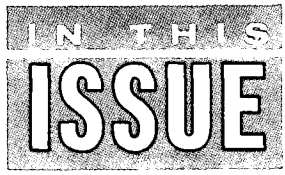

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THE AMERICAN TRADITION

12. Of Virtue and Morality

CLARENCE B. CARSON

WRITERS in the twentieth century have often entertained themselves (and presumably their readers) by taking pot shots at their particular *bête noire,* the despised Puritan. If Americans are not so spontaneous in their sex relations as some writers would like, it is ascribed to repressions inherited from Puritanism. If they are stingy or ungenerous on occasion, that too must come from their Puritan heritage. If they lack the French *joie de vivre,* it can be blamed on Puritanism.

In vain, I suspect, some scholars, notably Samuel Eliot Morison and Perry Miller, have shown that the Puritan of the seventeenth and eighteenth centuries was not that way. In reality, he was not always stern, joyless, and forbidding. However valuable such work may be, it could not be expected to stem the torrent of adverse criticism manufactured by "imaginative" writers and journalists. Most of them probably could not care less what *the* Puritan of earlier times was like. They were after more consequential game. For Puritanism as it is popularly conceived and described is none other than the American tradition of virtue and morality.

The historical confusion engendered by such oversimplified misappellations can be passed over for the moment. The point is, Puritanism was used as a symbol of distaste; and, since the characteristics ascribed to Puritanism were

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in reality characteristic of American ways, the assault upon this symbol was an assault on the American tradition. The discrediting of the one tended to undermine the other.

There was, then, an American tradition of morality and virtue. It is most difficult to delineate, however. Morality and virtue have usually been associated with religion. Indeed, they may be inseparably joined in some way. George Washington maintained that they were. In memorable words, he declared:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness — these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.[1]

Yet the United States did not have an established religion, nor was Washington advocating one. There were already a considerable variety of sects, and more would arise or come in the future. However, traditions are not laws, as I have already pointed out. It is possible to have a tradition of morality and virtue — which, in turn, is dependent upon religion — without its being legally prescribed. Indeed, America had one.

This was made possible by the fact that morality was primarily an individual matter. To put it more directly, only individuals could be moral according to the prevailing ethos. For action to become moral it meant that individuals should have made choices. Thus, prescribed morality was antithetical to the tradition. The corollary to individual morality was individual responsibility. When an individual chose his course of action, he became responsible for its consequences. If he affronted the community codes of behavior, he would be made to feel the contempt and

[1] James D. Richardson, *A Compilation of the Messages and Papers of the Presidents*, I (Washington: Government Printing Office, 1896), 220.

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displeasure of that community. If he violated laws, he would be held responsible by punishment. In like manner, individuals received the rewards of their endeavors. This was facilitated by provisions for private property, by definite distinctions between what belonged to one man and what to another, and by community approval of those who justly acquired wealth or fame.

Outstanding Virtues

To my knowledge, no one has attempted to rank the virtues which were admired in the American tradition. It is doubtful that it could be done, for Americans did not go in for hierarchies. But certain virtues were prominent. According to one historian, the following were the leading virtues in the middle of the eighteenth century: "patriotism, public service, industry and frugality, justice, and integrity."[2] Another historian, writing of the nineteenth century American, attributes these virtues to him:

> The American had a high sense of honor and would not tolerate acts dishonorable by his standards. Words like truth, justice, loyalty, reverence, virtue, and honor meant much to him. . . . He admired industry, temperance, sportsmanship. . . . He recognized the sovereignty of the individual conscience, consulted it on most matters, and yielded the same privilege to others.[3]

But a random listing of virtues does not do justice to the tradition. After all, virtue and morality were the mortar which held the bricks of the American tradition together. These virtues were not chosen at random; they were an integral part of the structure of the life of a people. Liberty, individualism, voluntarism, personal independence, and individual responsibility can only be made to work by a people who have developed virtues which will buttress these ideas and practices. For people in general to concur in practices by which each man receives the fruits of his labor, they need to have a set of values in keeping with these practices. These values must exist in intricate interrelation, not in careless disarray.

High on the list of American virtues were industry, thrift, and frugality. Hard work was not only a practical means to acquiring goods but also a positive good itself. Undoubtedly, many believed that an idle mind was the devil's workshop, but there was also the consideration that a man

[2] Clinton Rossiter, *The First American Revolution* (New York: A Harvest Book, 1953), p. 230.

[3] Henry S. Commager, *The American Mind* (New Haven: Yale University Press, 1954), pp. 30-31.

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who had worked hard all day could sleep the sleep of the just. Work was the sovereign prescription for sorrow, for heartache, and for vague discontent. It kept the young out of mischief and filled the long hours of the aged. Work was not so much a curse to be avoided as a blessing to be sought. It was the means by which an individual assumed responsibility for himself and his own, achieved independence, and showed himself to be a man.

Thrift, too, was a positive virtue. If capital accumulation was the aim, a penny saved was indeed a penny earned. Waste not, want not, was the negative way of justifying frugality, but the practice had deeper sanctions. That which we hold is a gift of God, held in stewardship from him. To treat it casually or carelessly would be to hold the giver in contempt. The counter vices to these virtues were laziness, extravagance, and wastefulness. These vices were universally condemned in an earlier America. Indeed, it was generally held that those who were deprived in some way were usually to blame because they had yielded to the vices and not practiced the virtues.

Simplicity was much admired by Americans. This probably reached its peak, so far as public affairs were concerned, during Andrew Jackson's time. But republican simplicity had been advocated and practiced by Jefferson also. Simplicity of manners, directness of approach, straightforwardness of action were the standards Americans applied to behavior. They disapproved of pomp, "putting on airs," an undue complexity, and deviousness. Rhetorical flourishes were all very well in a public speech, but ordinary business should be conducted without obscurity.

This preference for simplicity can be understood; it had an important role in the ethos. If men are to look after their own affairs, if each man is to be responsible for himself, if he is to make choices, the alternatives must be clear. Questions must be raised above the level of complicating circumstances. In effect, this means that they must be posed as moral alternatives, in most cases.

Many twentieth century writers have derided the tendency of Americans to turn questions into moral problems. Yet it is not at all clear how they would propose alternatives to most men. Moral choices can be and are made by simple men who could not hope to understand all the factors in a complicated situation. Indeed, it is doubtful that anyone knows all the particulars of a given situa-

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tion, or that they could reach a decision if they did. Simplicity is required for individual responsibility and for choice.

Self-respect was another of the major virtues in the American tradition, along with its corollary, respect for others. To be self-respecting meant that one was self-supporting, independent, dependable, conscious of the good opinion of his neighbors, honest, and able to contribute in some way to common tasks. Somewhat of disgrace was attached to falling short of any of these. In his own eyes, a man lost stature by failing to provide for himself. To his neighbors, his virtue was at least suspect. Respect for others involved a consciousness of distance between you, a distance to be bridged only when both parties desired. This meant that another's property was something you used only at his invitation, his time you imposed on at his behest, and his religion, beliefs, and habits you tolerated so long as they did not too grossly offend the taste of the community. American communities were apt to uphold moral standards, not so much by laws as by informal reproval of undesired conduct.

The Moral Adhesive

These virtues were knit together and given force by the religious and philosophical heritage which most Americans shared. Most Americans have been and are Christian, nominally, devotedly, or haphazardly. Within Christianity, the tone was set by various Protestant sects, at least until the twentieth century. Moreover, these were distinctly colored by English Protestantism, which was heavily suffused with Calvinism in the sixteenth and seventeenth centuries. The Puritans contributed to the American ethos the conception of each man having a calling, of the importance of work, of the practice of thrift and frugality. From the Quakers came the emphasis upon the individual conscience, upon an inner light, and upon the command to obey its promptings. The Baptists insisted upon religion being freed from political control and upon the right of a man to choose how he would worship.

Many of these sectarian beliefs were fused or transcended by revivalists in the Great Awakening, which occurred in the middle of the eighteenth century. Thereafter, most of Protestantism came to share a common ethos. One writer lists the characteristics of American Protestantism in the early nineteenth century, and follows them with these comments:

It is notable that each of these

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characteristics emphasizes the free decision of the individual will. Christianity in America has emphasized these expressions of a change of heart and of the conversion of the individual: the pious practice of the believer, the revival in the society, and missionary effort to the unconverted. Fundamental to all of this is a fresh grasp on a free and inward decision of the spirit as essential to real religion, and a corresponding rejection of any coercion in religious belief.[4]

The personal piety which religion promoted was evinced in the moral life and the practice of those virtues enumerated above, and others.

But this is to affirm what has not yet been demonstrated, i.e., the connection between religion and morality. To make this demonstration, it will be useful to raise some ultimate questions. Why is self-respect a virtue? Why should men be honest? Why should they tell the truth? Is it good to be independent? In short, what makes those things virtues which men have so denominated?

In our day, there are many intellectuals who doubt that there is any necessary connection between religion and morality. They profess to see no need for a metaphysical realm in which the physical must subsist and have its being. For them, the above questions can be answered pragmatically, so far as they need to be answered. Thus, they might say that it is important that people be honest in order that society may function smoothly. If people did not tell the truth, they would stop trusting one another, and relationships would deteriorate. In brief, they argue that human reason and social needs form a sufficient base for rules of behavior.

Philosophical Foundation

It is not for the historian to answer these ultimate questions that have been posed. His task is completed when he has described what men believed and did – and what the consequences were. Thus, so far as the questions are philosophical or theological, they fall outside the area of my competence. But so far as the actual beliefs that men have held and the relationship of these to the practices of morality and virtue are concerned, these are very much historical questions.

There is no doubt in my mind, then, that American morality was closely connected to religion and philosophy. Nor do I wish to imply that this was merely a fortuitous nexus. Powerful sanctions

[4] William L. Miller, "American Religion and American Political Attitudes," *Religious Perspectives in American Culture*, James W. Smith and A. Leland Jamison, eds. (Princeton: Princeton University Press, 1961), p. 89.

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usually accompany the taboos and imperatives which a people accept. The rationalist may conclude, for example, that murder is an obvious evil, that all men will readily concur with him in this opinion. Surely, he might think, there is no need for supernatural sanctions against murder. The matter may be otherwise, however. Remove the sense of awe and mystery which men have before God and who is to say that you do not contribute to the removal of the awe and mystery which envelops human beings and protects them from one another ordinarily?

Religious Sanction

At any rate, the American tradition of virtue and morality had deep religious sanctions. These religious beliefs can be set forth in philosophic terms, though it must be understood that most Americans could not have articulated them in this way. Generally, Americans believed that they lived in a created universe. They believed in a Creator, God transcendent, who stood outside the humanly conceived dimensions of time and space and who made this world.

The common appellation for God in the eighteenth and nineteenth centuries was Providence. God as provider meant different things to different people, of course, depending upon the amount of learning and depth of thought about it. In general terms, though, it meant that he had provided whatever existed in nature — i.e., the universe, its laws, man and his nature, the materials with which men worked. President John Adams captured this conception in the closing words of his Inaugural Address:

> And may that Being who is supreme over all, the Patron of Order, the Fountain of Justice, and the Protector in all ages of the world of virtuous liberty, continue His blessing upon this nation and its Government and give it all possible success and duration consistent with the ends of His providence.[5]

The great support of morality in these religious beliefs was the conviction that this created universe was pervaded by a moral order. By the eighteenth century, many thinkers interpreted this moral order in terms of natural laws. From this point of view, to say that there is a moral order in the universe means that this universe works according to laws. But whether it be understood as natural law or Divine injunction, the belief in a moral order made morality and virtue imperative. Those acts are morally good which are in keeping with moral order;

[5] Richardson, *op. cit.*, I, 232.

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virtues are those principles of action which are consonant with the order.

Let us revert to an earlier question. Why is it good to be independent? Because this universe is pervaded by a moral order. Because man is a moral being. Because choice is essential to morality. Because independence is necessary to free choice. How may a man become independent? He may do so by practicing industry, thrift, and frugality. Industry, thrift, and frugality lead to independence because there is an order in the universe, an order in which rewards are likely to be proportioned to effort, in which possessions may be augmented by careful husbandry, in which thrift will be rewarded by increased savings. It may appear a quibble, but let it be noted anyhow: these actions are not good because they have good consequences; they have good consequences because they are good — i.e., that they are in keeping with the moral order. Self-respect begets respect for others; honor begets honesty; fidelity begets faithfulness.

An Optimistic View

The belief in the existence of a moral order had many attendant results for Americans. It meant that the triumph of right was established and certain. There could be no ultimate tragedy: right would win; justice would triumph; goodness would overcome. Observers have often remarked that Americans were optimistic. Recent interpreters have tended to ascribe this to their experience and environment. Let us suggest a deeper source, the belief in an ultimately triumphant moral order.

This belief served as a profound basis for freedom for Americans. In the first place, it was conducive to faith. The man who lacks faith will be easily inclined to the view that he must do everything himself, that if men are not compelled they will not act in desired ways, that someone or a group must provide a master plan else society will come to pieces, and chaos will reign. The man with faith in an order higher than himself can be content to leave other men to their devices, secure in his knowledge that God is not mocked, that right will triumph, and that his major task is to see that he is not destroyed in the process. He can believe that an economic order may work justly without society's intervention by way of a master plan. There is an order in the universe that brings a harmony out of the diverse activities of men if it is not interfered with by rules devised by men and promulgated

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in the society, if aggression is estopped, and if freedom prevails in the market.

Second, such a belief in a moral order can serve to promote liberty because it is to the advantage of men to come to know the order. They can do so most adequately if the greatest liberty prevails. The consequences of actions are not obscured; the rewards of endeavors can be viewed without obstruction. In this view, no amount of human effort can thwart the moral order, of course, but human intervention can greatly confuse the onlooker. For example, he may ascribe his prosperity to human agency, or his discoveries to invention. It is extremely important for men to discern cause and effect clearly, for their actions will tend to be predicated upon conclusions about this. Liberty is an important condition of such discernment.

Third, the individual responsibility that follows from living within a universal moral order is essential to the working of liberty. If each man is to have liberty, he must assume responsibility for himself. If he does not, or if society does not impose it upon him, he will suffer, and he may use his suffering as an excuse for compulsory social action.

A tradition of virtue and morality took shape in America, then. It was supported by religion and buttressed by philosophy. It was made manifest in numerous customs and practices: in individualism, in voluntarism, in limited government, in extended liberty, in laws which placed the primary responsibility for his actions upon the individual. Individuals were impelled to work, to strive, to accomplish, because they assumed the responsibility for their well-being. Above all, the belief in a moral order was demonstrated by the things which Americans did not attempt to do by compulsion: by permitting voluntary religious associations, by leaving the individual free to work out his own salvation in his own way, by *not* planning the economy, by *not* presuming to control the behavior of other nations, by resting the government on the free choice and activity of the citizenry.

Remove the Temptation

This system was not founded upon the notion that men are naturally virtuous or morally good, though some could be found who would subscribe to such propositions, but upon the view that there is a moral order in the universe, that all men's schemes will come to nought if they are in opposition to it, and that it is better to remove the temptation for in-

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terfering as far as possible from men by checking power and limiting its legitimate use by government.

There should be no doubt that long strides toward the abandonment of this tradition have taken place in the twentieth century. According to much of current economic thought, those who practice thrift are enemies of prosperity because they lower consumption and slow the wheels of production. Hard work may be a virtue in some circles, but the good life is portrayed in America as a play life. As for frugality, articles have actually appeared suggesting that waste is necessary to full production and employment. My impression is that self-respect and personal independence are not highly rated today. Sociability is a much higher virtue. At any rate, less and less is left to the individual and more and more power is assumed by governments.

Undermined Foundations

The philosophical props have been knocked from under the American tradition; theologians and preachers have long since ceased to support it with one voice. Intellectuals, many of them, have come to doubt that there is any order in the universe, much less a moral one. The Darwinians promulgated a constantly changing universe, one in which the only enduring quality was change itself. The Marxians turned the old order upside down, made technology rather than man the mover in this world. They and other socialists thingified society (with help from some conservatives), and reduced the individual to a cog in its giant wheel. Environmentalists denied the freedom and responsibility of the individual, and pragmatists proclaimed that these were meaningless questions. Nietzsche declared that "God is dead," and his disciples attempted to raise man in His stead. Preachers of the Social Gospel emphasized the reform of society and worked for the Kingdom to come, a kingdom which bore a striking resemblance to the materialistic utopias advanced in the nineteenth century. Meliorists set out to create their own moral order, one at considerable variance from that made by the Creator. In short, the older beliefs were turned upside down. The tradition was undermined.

Emphasis on Planning

These intellectual developments set the stage for many twentieth century practices and attitudes which are by now familiar. If there is no moral order in the universe, the economy must be

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planned, else chaos will result. Man, or society, must plan and do everything. If the United States does not exert its power and influence in the world, great harm will presumably result. Who knows what France might do with atomic bombs? If men are left to their devices – are left at liberty – what might be the consequences? Children must be propagandized, adults kept at work, the aged supervised or provided with suitable tasks. Lacking a faith in a moral order, men must engage in frenetic social activities to maintain order. Lacking a working belief in a transcendent God, men will play at being gods. They cannot accept freedom because they cannot predict the consequences of freedom. Hence, they are driven to more and more controls in order to have a predictable condition. Lacking a belief in immutable law, judges presume to make their own law.

Could George Washington have been right? Is there a connection between religion and morality? More, is there a connection between these and the possibility of maintaining liberty? In the American tradition, there was. Can it be that this connection subsists in reality? Those who maintain otherwise, or who act otherwise, need to demonstrate how they, of their own efforts, will maintain freedom without a moral order. The consequences of their experiments thus far are not such as to inspire faith in man's unaided abilities. One wonders if any more journeys into the twilight zone of humanistic meliorism are warranted! The residues of the American tradition of virtue and morality point in another direction. ◈

• *The next article in this series will treat of the tradition, "To Agree To Disagree."*

IDEAS ON LIBERTY

How To Lose It

FREEDOM is not free and it must not be taken for granted. It was won through sacrifice and will be maintained *only* through sacrifice. It can be lost – just as surely, just as completely, and just as permanently – tax by tax, subsidy by subsidy, and regulation by regulation, as it can be lost bullet by bullet, bomb by bomb, or missile by missile.

ED W. HILES, Atlanta, Georgia

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ROBERT COULSON

LIVING WITH A BOMB

IN OUR DISCUSSIONS of world peace we have drifted into accepting a premise which is so strange that it cannot easily be put into words. It is this: that we owe a duty to *Someone* or *Something* to keep our institutions in existence for as long as possible; that there is some kind of competition among cultures to live longer than other cultures; and that the only true measure of a civilization is its longevity.

If a lodge loses members, a factory suffers financial loss, a bureau's jurisdiction is repealed, a fund-raising group procures a remedy for the ailment which was the basis for the fund-raising — whenever any of our institutions gives sign of the mortality which is in all of us and each of them — then there are membership drives, revivals, reorganizations, recruitments, and replacements.

When the carriage factory shuts down or the mines close or the village is buried by flood or mud, we search for ways to put things back the way they were. We know that as individuals we are mortal. Why this urge to make the social machines immortal? To please some God of Continuity?

Almost all men in politics carry this burden of the 'Baton' theory of government, accepting a fixed term of office and specifically pledging that at the end of the term to turn over to successors the office files, keys to the men's room, and all the slogans, institutions, traditions, boundaries, and anthems — if those successors promise to turn them over to their successors intact and unchanged.

There is an assumption that cultures and civilizations are en-

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gaged in a kind of longevity competition; that a nation which keeps its boundaries intact scores a point in some Heavenly reckoning; and that the Verdict of History will applaud leaders who preserve slogans, songs, and bureaus even at the cost of people's lives, moral principles, or pursuit of justice or truth.

For each of us as moral individuals the question is not "Will I die?" or "How long can I postpone death?" but rather, "How will I live until it is time for me to die?" As individuals we can say, "Give me liberty or give me death."

But we pretend that the rule is different for our institutions. We have drifted into the worship of the false God of Continuity. Of our institutions we say, "Give me anything but don't give them death. That is the worst thing that can happen to anything. Take our honor, take truth away, destroy our morals; but do not change our anthems or slogans." We have come to believe, without daring to say it, that there is nothing to fear so long as Old Glory still waves, so long as our coins read "In God We Trust."

Now, any sensible communist or fascist leader would be willing to let us play with our familiar surface institutions if this is all that is required to keep us quiet. Hungary and Poland have kept their postage stamps, folk dances, Olympic athletes, boundaries, and songs. They have achieved continued existence, and if continued existence is the proper goal of our foreign policy, there is no real reason for having a cold war.

But we are not in this struggle simply to postpone the death of the man-made accoutrements and trappings which we have accumulated. Continuous identity is not a god to be worshipped. Not in a free society. Not in a religious society. We could lose all our individual integrity, all our collective morality, all our regard for truth and justice, and still have a Davis cup team, a banking system, and the stamp-collecting hobby.

These trappings and institutions are mortal. They will pass away. It is the totalitarian state which offers this culture continuum as a substitute for the religious faith of the individual. They regard the individual as a perishable drop of water in an immortal stream, a soulless grain of sand on a beach which has life eternal. This culture continuum is the only reward their state can offer for present hardship and sacrifices.

Suppose this promise were taken from them? Suppose we publicly faced the fact that our institutions are not immortal; that

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for our boundaries, anthems, and traditions the question is not "Will they change and disappear?" or "How long can we make them last?" but rather, "How will they live until it is time for them to change and disappear?"

Then we might crawl out from under the bed and look the H-bomb right in the eye, and we might speak thusly to the rest of the world:

"We know that someday our boundaries will be different, our flag will be changed, we will have a different anthem and new sorts of constitutions, legislatures, polling places, appellate courts, constables, Elks Clubs, and currency. Vanished down the corridors of Time will be the New York Yankees, the *Saturday Evening Post*, Standard Oil, and the F.B.I.

"Someone will be living on this land when these changes and deaths occur. There will be children, and debts, scientific research, and some hunger during the changes. We do not know when or in what order these institutions will die, but we accept the fact that each of them will die.

"So we refuse to trade away parts of our morals and self-respect, parts of our love for truth and zeal for justice, to give a week more of life to any of these. We refuse to trade any part of morality in exchange for a year of life for any or all of our institutions. We refuse to accept continued existence as a valid goal of our society. Give our society liberty or give it death!"

What a terrifying notice for a moral people to send to a totalitarian state! "We have the prospect of eternal life as individuals, and you do not. If we mutually destroy each other's institutions, this will remain for us; but what will remain for you?

When the individual citizen faces the fact of his personal mortality, he can destroy a tyranny. Whenever citizens will say, "Give me liberty or give me death," the tyrant is overthrown. The citizen, by being mortal and knowing it, can clog the arteries of the despotism.

Further, the man who faces this choice between liberty and death wins liberty and life. So can a nation. The man who abandons all else to flee death is the first to die; so it is with cultures, traditions, civilizations, slogans, and societies.

If we could take this approach to international tyranny, if we could disown the Duty to History, refuse to worship the God of Continuity, and measure existence by its quality rather than by its duration, we would not only secure the blessings of liberty but also ensure our survival. ◈

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The NATURE of GOVERNMENT

. . . . . AYN RAND

A GOVERNMENT is an institution that holds the exclusive power to *enforce* certain rules of social conduct in a given geographical area.

Do men need such an institution – and why?

Since man's mind is his basic tool of survival, his means of gaining knowledge to guide his actions – the basic condition he requires is the freedom to think and to act according to his rational judgment. This does not mean that a man must live alone and that a desert island is the environment best suited to his needs. Men can derive enormous benefits from dealing with one another. A social environment is most conducive to their successful survival – *but only on certain conditions.*

"The two great values to be gained from social existence are: knowledge and trade. Man is the only species that can transmit and expand his store of knowledge from generation to generation; the knowledge potentially available to man is greater than any one man could begin to acquire in his own lifespan; every man gains an incalculable benefit from the knowledge discovered by others. The second great benefit is the division of labor: it enables a man to devote his effort to a particular field of work and to trade with others who specialize in other fields. This form of cooperation allows all men who take part in it to achieve a greater knowledge, skill and productive return on their effort than they could achieve if each had to produce everything he needs, on a desert island or on a self-sustaining farm.

"But these very benefits indicate, delimit and define what kind of men can be of value to one another and in what kind of society: only rational, productive, independent men in a rational, productive,

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This article is from Miss Rand's "Check Your Premises" column of *The Objectivist Newsletter* of December, 1963. Copyright © 1963 by The Objectivist Newsletter, Inc., 120 East 34th Street, New York 16, N. Y.

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free society." (*The Objectivist Ethics.*)

A society that robs an individual of the product of his effort, or enslaves him, or attempts to limit the freedom of his mind, or compels him to act against his own rational judgment – a society that sets up a conflict between its edicts and the requirements of man's nature – is not, strictly speaking, a society, but a mob held together by institutionalized gang-rule. Such a society destroys all the values of human co-existence, has no possible justification and represents, not a source of benefits, but the deadliest threat to man's survival. Life on a desert island is safer than and incomparably preferable to existence in Soviet Russia or Nazi Germany.

Individual Rights

If men are to live together in a peaceful, productive, rational society and deal with one another to mutual benefit, they must accept the basic social principle without which no moral or civilized society is possible: the principle of individual rights. (See my articles on rights in the April and June 1963 issues of *The Objectivist Newsletter.*)

To recognize individual rights means to recognize and accept the conditions required by man's nature for his proper survival.

Man's rights can be violated only by the use of physical force. It is only by means of physical force that one man can deprive another of his life, or enslave him, or rob him, or prevent him from pursuing his own goals, or compel him to act against his own rational judgment.

The precondition of a civilized society is the barring of physical force from social relationships – thus establishing the principle that if men wish to deal with one another, they may do so only by means of *reason*: by discussion, persuasion and voluntary, uncoerced agreement.

The necessary consequence of man's right to life is his right to self-defense. In a civilized society, force may be used only in retaliation and only against those who initiate its use. All the reasons which make the initiation of physical force an evil, make the retaliatory use of physical force a moral imperative.

If some "pacifist" society renounced the retaliatory use of force, it would be left helplessly at the mercy of the first thug who decided to be immoral. Such a society would achieve the opposite of its intention: instead of abolishing evil, it would encourage and reward it.

If a society provided no organized protection against force, it

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would compel every citizen to go about armed, to turn his home into a fortress, to shoot any strangers approaching his door – or to join a protective gang of citizens who would fight other gangs, formed for the same purpose, and thus bring about the degeneration of that society into the chaos of gang-rule, *i.e.*, rule by brute force, into the perpetual tribal warfare of prehistorical savages.

An Objective Code

The use of physical force – even its retaliatory use – cannot be left at the discretion of individual citizens. Peaceful co-existence is impossible if a man has to live under the constant threat of force to be unleashed against him by any of his neighbors at any moment. Whether his neighbors' intentions are good or bad, whether their judgment is rational or irrational, whether they are motivated by a sense of justice or by ignorance or by prejudice or by malice – the use of force against one man cannot be left to the arbitrary decision of another.

Visualize, for example, what would happen if a man missed his wallet, concluded that he had been robbed, broke into every house in the neighborhood to search it, and shot the first man who gave him a dirty look, taking the look to be a proof of guilt.

The retaliatory use of force requires *objective* rules of evidence to establish that a crime has been committed and to *prove* who committed it, as well as *objective* rules to define punishments and enforcement procedures. Men who attempt to prosecute crimes, without such rules, are a lynch mob. If a society left the retaliatory use of force in the hands of individual citizens, it would degenerate into mob rule, lynch law and an endless series of bloody private feuds or vendettas.

If physical force is to be barred from social relationships, men need an institution charged with the task of protecting their rights under an *objective* code of rules.

This is the task of a government – of a *proper* government – its basic task, its only moral justification and the reason why men do need a government.

A government is the means of placing the retaliatory use of physical force under objective control – i.e., under objectively defined laws.

The fundamental difference between private action and governmental action – a difference thoroughly ignored and evaded today – lies in the fact that a government holds a monopoly on the legal use of physical force. It has to hold such a monopoly, since it is the agent of restraining and com-

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batting the use of force; and for that very same reason, its actions have to be rigidly defined, delimited and circumscribed; no touch of whim or caprice should be permitted in its performance; it should be an impersonal robot, with the law as its only motive power. If a society is to be free, its government has to be controlled.

Under a proper social system, a private individual is legally free to take any action he pleases (so long as he does not violate the rights of others), while a government official is bound by law in his every official act. A private individual may do anything except that which is legally *forbidden;* a government official may do nothing except that which is legally *permitted.*

This is the means of subordinating "might" to "right." This is the American concept of "a government of laws and not of men."

The nature of the laws proper to a free society and the source of its government's authority are both to be derived from the nature and purpose of a proper government. The basic principle of both is indicated in The Declaration of Independence: "to secure these [individual] rights, governments are instituted among men, deriving their just powers from the consent of the governed . . ."

Separation of Force and Whim

Since the protection of individual rights is the only proper purpose of a government, it is the only proper subject of legislation: all laws must be based on individual rights and aimed at their protection. All laws must be *objective* (and objectively justifiable): men must know clearly, and in advance of taking an action, what the law forbids them to do (and why), what constitutes a crime and what penalty they will incur if they commit it.

The source of the government's authority is "the consent of the governed." This means that the government is not the *ruler,* but the servant or *agent* of the citizens; it means that the government as such has no rights except the rights *delegated* to it by the citizens for a specific purpose.

There is only one basic principle to which an individual must consent if he wishes to live in a free, civilized society: the principle of renouncing the use of physical force and delegating to the government his right of physical self-defense, for the purpose of an orderly, objective, legally-defined enforcement. Or, to put it another way, he must accept *the separation of force and whim* (any whim, including his own).

Now what happens in case of a disagreement between two men

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about an undertaking in which both are involved?

In a free society, men are not forced to deal with one another. They do so only by voluntary agreement and, when a time element is involved, by *contract*. If a contract is broken by the arbitrary decision of one man, it may cause a disastrous financial injury to the other – and the victim would have no recourse except to seize the offender's property as compensation. But here again, the use of force cannot be left to the decision of private individuals. And this leads to one of the most important and most complex functions of the government: to the function of an arbiter who settles disputes among men according to objective laws.

Criminals are a small minority in any semi-civilized society. But the protection and enforcement of contracts through courts of civil law is the most crucial need of a peaceful society; without such protection, no civilization could be developed or maintained.

Man cannot survive, as animals do, by acting on the range of the immediate moment. Man has to project his goals and achieve them across a span of time; he has to calculate his actions and plan his life long-range. The better a man's mind and the greater his knowledge, the longer the range of his planning. The higher or more complex a civilization, the longer the range of activity it requires – and, therefore, the longer the range of contractual agreements among men, and the more urgent their need of protection for the security of such agreements.

Even a primitive barter society could not function if a man agreed to trade a bushel of potatoes for a basket of eggs and, having received the eggs, refused to deliver the potatoes. Visualize what this sort of whim-directed action would mean in an industrial society where men deliver a billion-dollars-worth of goods on credit, or contract to build multi-million-dollar structures, or sign ninety-nine-year leases.

A unilateral breach of contract involves an indirect use of physical force: it consists, in essence, of one man receiving the material values, goods or services of another, then refusing to pay for them and thus keeping them by force (by mere physical possession), not by right – *i.e.*, keeping them without the consent of their owner. Fraud involves a similarly indirect use of force: it consists of obtaining material values without their owner's consent, under false pretenses or false promises. Extortion is another variant of an indirect use of force: it consists of obtaining material values, not in exchange for values, but by the

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threat of force, violence or injury.

Some of these actions are obviously criminal. Others, such as a unilateral breach of contract, may not be criminally motivated, but may be caused by irresponsibility and irrationality. Still others may be complex issues with some claim to justice on both sides. But whatever the case may be, all such issues have to be made subject to objectively defined laws and have to be resolved by an impartial arbiter, administering the laws, *i.e.*, by a judge (and a jury, when appropriate).

Observe the basic principle governing justice in all these cases: it is the principle that no man may obtain any values from others without the owners' consent – and, as a corollary, that a man's rights may not be left at the mercy of the unilateral decision, the arbitrary choice, the irrationality, *the whim* of another man.

Such, in essence, is the proper purpose of a government: to make social existence possible to men, by protecting the benefits and combatting the evils which men can cause to one another.

Police, Military, and Courts

The proper functions of a government fall into three broad categories, all of them involving the issues of physical force and the protection of men's rights: *the police*, to protect men from criminals – *the armed services*, to protect men from foreign invaders – *the law courts*, to settle disputes among men according to objective laws.

These three categories involve many corollary and derivative issues – and their implementation in practice, in the form of specific legislation, is enormously complex. It belongs to the field of a special science: the philosophy of law. Many errors and many disagreements are possible in the field of implementation, but what is essential here is the principle to be implemented: the principle that the purpose of law and of government is the protection of individual rights.

Today, this principle is forgotten, ignored and evaded. The result is the present state of the world, with mankind's retrogression to the lawlessness of absolutist tyranny, to the primitive savagery of rule by brute force.

In unthinking protest against this trend, some people are raising the question of whether government as such is evil by nature and whether anarchy is the ideal social system. Anarchy, as a political concept, is a naive floating abstraction: for all the reasons discussed above, a society without an organized government would be at the mercy of the first crimi-

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nal who came along and who would precipitate it into the chaos of gang warfare. But the possibility of human immorality is not the only objection to anarchy: even a society whose every member were fully rational and faultlessly moral, could not function in a state of anarchy; it is the need of *objective* laws and of an arbiter for honest disagreements among men that necessitates the establishment of a government.

A recent variant of anarchistic theory, which is befuddling some of the younger advocates of freedom, is a weird absurdity called "competing governments." Accepting the basic premise of the modern statists – who see no difference between the functions of government and the functions of industry, between force and production, and who advocate government ownership of business – the proponents of "competing governments" take the other side of the same coin and declare that since competition is so beneficial to business, it should also be applied to government. Instead of a single, monopolistic government, they declare, there should be a number of different governments in the same geographical area, competing for the allegiance of individual citizens, with every citizen free to "shop" and to patronize whatever government he chooses.

Remember that forcible retraint of men is the only service a government has to offer. Ask yourself what a competition in forcible restraint would have to mean.

One cannot call this theory a contradiction in terms, since it is obviously devoid of any understanding of the terms "competition" and "government." Nor can one call it a floating abstraction, since it is devoid of any contact with or reference to reality and cannot be concretized at all, not even roughly or approximately. One illustration will be sufficient: suppose Mr. Smith, a customer of Government A, suspects that his next-door neighbor, Mr. Jones, a customer of Government B, has robbed him; a squad of Police A proceeds to Mr. Jones' house and is met at the door by a squad of Police B, who declare that they do not accept the validity of Mr. Smith's complaint and do not recognize the authority of Government A. What happens then? You take it from there.

The History of Government

The evolution of the concept of "government" has had a long, tortuous history. Some glimmer of the government's proper function seems to have existed in every organized society, manifesting itself in such phenomena as the recog-

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nition of some implicit (if often non-existent) difference between a government and a robber-gang – the aura of respect and of moral authority granted to the government as the guardian of "law and order" – the fact that even the most evil types of government found it necessary to maintain some semblance of order and some pretense at justice, if only by routine and tradition, and to claim some sort of moral justification for their power, of a mystical or social nature. Just as the absolute monarchs of France had to invoke "The Divine Right of Kings," so the modern dictators of Soviet Russia have to spend fortunes on propaganda to justify their rule in the eyes of their enslaved subjects.

In mankind's history, the understanding of the government's proper function is a very recent achievement: it is only two-hundred years old and it dates from the Founding Fathers of the American Revolution. Not only did they identify the nature and the needs of a free society, but they devised the means to translate it into practice. A free society – like any other human product – cannot be achieved by random means, by mere wishing or by the leaders' "good intentions." A complex legal system, based on *objectively* valid principles, is required to make a society free and *to keep it free* – a system that does not depend on the motives, the moral character or the intentions of any given official, a system that leaves no opportunity, no legal loop-hole for the development of tyranny.

The American system of checks and balances was just such an achievement. And although certain contradictions in the Constitution did leave a loop-hole for the growth of statism, the incomparable achievement was the concept of a constitution as a means of limiting and restricting the power of the government.

Today, when a concerted effort is made to obliterate this point, it cannot be repeated too often that the Constitution is a limitation on the government, not on private individuals – that it does not prescribe the conduct of private individuals, only the conduct of the government – that it is not a charter *for* government power, but a charter of the citizens' protection *against* the government.

The Law Perverted

Now consider the extent of the moral and political inversion in today's prevalent view of government. Instead of being a protector of man's rights, the government is becoming their most dangerous violator; instead of guarding freedom, the government is establish-

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ing slavery; instead of protecting men from the initiators of physical force, the government is initiating physical force and coercion in any manner and issue it pleases; instead of serving as the instrument of *objectivity* in human relationships, the government is creating a deadly, subterranean reign of uncertainty and fear, by means of non-objective laws whose interpretation is left to the arbitrary decisions of random bureaucrats; instead of protecting men from injury by whim, the government is arrogating to itself the power of unlimited whim – so that we are fast approaching the stage of the ultimate inversion: the stage where the government is *free* to do anything it pleases, while the citizens may act only by *permission;* which is the stage of the darkest periods of human history, the stage of rule by brute force.

It has often been remarked that in spite of its material progress, mankind has not achieved any comparable degree of moral progress. That remark is usually followed by some pessimistic conclusion about human nature. It is true that the moral state of mankind is disgracefully low. But if one considers the monstrous moral inversions of the governments (made possible by the altruist-collectivist morality) under which mankind has had to live through most of its history, one begins to wonder how men have managed to preserve even a semblance of civilization, and what indestructible vestige of self-esteem has kept them walking upright on two feet.

One also begins to see more clearly the nature of the political principles that have to be accepted and advocated, as part of the battle for man's intellectual Renaissance. ◈

IDEAS ON LIBERTY

Slavery

FOR AS LIBERTY solely consists in an independency upon the will of another, and by the name of slave we understand a man who can neither dispose of his person or goods, but enjoys all at the will of his master; there is no such thing in nature as a slave if those men or nations are not slaves who have no other title to what they enjoy than the grace of the Prince, which he may revoke whensoever he pleaseth.

SIR ALGERNON SIDNEY (1622-1683)
Discourses Concerning Government

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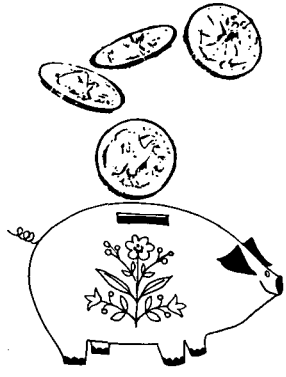
THRIFT

Prerequisite of Economic Progress

HANS F. SENNHOLZ



SOME 200 years ago the English writer, John Hawkesworth, praised thrift in words that have long been forgotten by most of our contemporaries. "Economy," he wrote, "is the parent of integrity, of liberty, and of ease; and the beauteous sister of temperance, of cheerfulness, and health; and profuseness is a cruel and crafty demon, that gradually involves her followers in dependence and debts, and so fetters them with irons that enter into their inmost souls."

Today's prevailing thoughts on thrift are expressed concisely by C. L. Allen, professor of economics at North Carolina State College. According to Allen, "the less individuals save out of their incomes, the more they spend and the greater total (national) income will be. Conversely, the more people save out of a given income the smaller total (national) income will be." It is obvious that the eighteenth century English writer and the modern American economist are worlds apart in economic understanding and philosophy.

To our forebears, saving was a virtue that had its own rewards. Saving afforded provision for emergencies and old age. It ensured the education of children and support of needy parents. Sav-

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ing created supplementary income from investments and supplied the initial capital for business ventures and business growth.

Since the beginning of man, his thrift gave birth to his tools of hunting and production. To be sure, saving does not suffice for the production of tools and equipment. They must also be produced. But before they can be produced, the means of support needed during the time of tool production must be saved. This is why saving is the most important prerequisite of economic progress.

No matter what the Keynesians and other statists may contend, the people's savings are invested. Very few eccentrics accumulate money for the love of money. It is true, people may vary their cash holdings, increase or decrease them in accordance with their best interests. People with more than average cash holdings may be denounced as hoarders by others who have less. Especially are spendthrifts quick to decry the thrifty and endeavor to find some ill effects of thrift which they call "hoarding."

People who save usually buy securities, deposit their money in banks and savings and loan associations, put it out on loan, buy life insurance policies, or contribute to pension funds. Their savings appear on the capital market where they are distributed to business through the operation of the interest rate. They are made available to producers for productive purposes.

Saving need not imply any sacrificial or morally meritorious behavior. To save at the enjoyment of the moment need not entail outright privation. Saving can involve personal sacrifice, but it does not necessarily do so. The man with only a modest income cannot lay aside something of the little he earns without considerable deprivation and vigorous self-control. The man with an income of $1 million a year who saves half of this amount performs no heroic act of renunciation. But he supplies the needed capital. For most of us, saving requires a measure of sacrifice and self-control.

Socialists Assault Saving

Socialists generally find fault with individual thrift and private capital formation. Their hostility flows from a theory that pronounces all goods the product of human labor exclusively. According to the socialists, the workers do not receive the entire product which they alone have produced; capitalists control the indispensable means of production through the institution of private property, and use this control to obtain for

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themselves a part of the worker's product; their method is the wage contract which permits them to purchase the labor of the true producers, who are forced by hunger to accept the contract; the capitalists pay only a fraction of what the workers produce for them, pocketing the rest at the cost of no exertion to themselves; capital and its income therefore consist of the product of the exploited labor of workers who are placed under coercion by the institution of private property.

Although this "exploitation theory" was originally developed by a few socialist thinkers such as Rodbertus and Marx, it is now widely believed. To many labor union officials in particular, capital income is "unjustly withheld" from the working men for whom they endeavor to secure all increases in labor productivity. Proponents of greater government intervention view capital income as an "unearned income," an easy prey for progressive taxation. They would have the government either expropriate such capital income for its own use or dissipate it by raising labor costs through social labor legislation.

The socialist assault on capital and its income has had its inevitable effect on capital supply. Capital formation has been greatly impeded and economic and technological progress has become painfully slow. Individual economic advancement has become very difficult. At the same time the power of government over the people has grown ominously, and economic and political freedom has declined.

The Keynesian Assault

Today's hostility against saving and capital mainly flows from the doctrines of Keynes that have conquered the world since the appearance of his *General Theory of Employment, Interest, and Money,* in 1936. His attack differs little from that of the socialists. Saving and capital accumulation in private hands are the villains that are blamed for depression and unemployment. Keynes and his numerous followers hate and fear thrift, and this permeates their theoretical system as well as their fiscal and monetary policies.

The following passage written in bitter irony and scorn at the capitalist system may illustrate the point:

> This remarkable system depended for its growth on a double bluff or deception. On the one hand the laboring classes accepted from ignorance or powerlessness, or were compelled, persuaded, or cajoled by custom, convention, authority, and the well-established order of Society into accepting a situation in which they could call their own

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very little of the cake that they and Nature and the capitalists were cooperating to produce. And on the other hand the capitalist classes were allowed to call the best part of the cake theirs and were theoretically free to consume it, on the tacit underlying condition that they consumed very little of it in practice. The duty of "saving" became nine-tenths of virtue and the growth of the cake the object of true religion. There grew round the non-consumption of the cake all those instincts of puritanism which in other ages has withdrawn itself from the world and has neglected the arts of production as well as those of enjoyment. And so the cake increased but to what end was not clearly contemplated. Individuals would be exhorted not so much to abstain as to defer, and to cultivate the pleasures of security and anticipation. Saving was for old age or for your children; but this was only in theory, – the virtue of the cake was that it was never to be consumed, neither by you nor by your children after you. (John Maynard Keynes, *The Economic Consequences of the Peace,* pp. 19-20.)

To spend, or not to spend, that is the Keynesian question. In order to assure the proper spending and thus restore or maintain a generally desirable condition in the economy, the Keynesians consider comprehensive government control beneficial and necessary. They evidence no concern about the fact that this control over the people's economic actions deprives them of their freedoms and simultaneously enhances the power of government officials and bureaucrats over them. Keynes' theory prepares the ground for socialism. It resembles Marx's thought in many respects.

The Doctrine of National Growth

According to this doctrine espoused by many radical writers and politicians, economic growth is a spontaneous natural process that is fostered and guided by government. Individual saving and capital accumulation are said to exert little or no influence on national economic development. It is the concern of government, and the subject of heated political debates, to determine through courageous government action the most desirable rate of economic growth.

This growth doctrine, which takes its terminology and analogy from biology, effectively hides the fact that economic improvements result from individual saving and capital accumulation. Indeed, if growth actually is a spontaneous process, the government may continue to expropriate savings and capital while enjoying the benefits of growth. In order to keep pace with the infant's growth, the government merely needs to provide the economic and social adjustments in the form of labor legisla-

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tion and monetary circulation. The growth apostles therefore demand an annual increase of the money supply and, above all, more social labor laws that are to distribute the benefits of growth.

The doctrine of spontaneous growth also tends to render more difficult our understanding of the economic problems of underdeveloped countries. Under its sway, we are inclined to believe pretentious growth reports from communist and socialist countries although we hear of spending and inflation, confiscatory taxation, and capital expropriation. Our own government officials may even urge underdeveloped countries to adopt such policies in order to provide the social climate of growth.

All over the world people are hoping and longing for economic development and improvement. But their hopes must remain wishful thinking as long as spendthrift governments enforce policies that prevent capital formation. Only individual savings and reinvested profits can create the capital goods that render human labor more productive. ◈

IDEAS ON LIBERTY

Cheap Steel

THE EUROPEAN COAL AND STEEL COMMUNITY is to raise steel tariffs. Imports from Japan and other countries have been growing fast, and throughout the world there is a surplus of steel-making capacity.

This situation was long foreseen. All over the world new capital has been invested in steel-making plant, and while the boom was on the British makers of steel plant did extremely well.

The money was invested to produce more and better steel, and now that we have got it the producers throw up their arms in horror and are unwilling to accept the consequences of abundance.

These should be that the consumer will get cheaper steel.

Another consequence is that because of lower prices through the abundance following the larger amount of capital invested, the value of the capital has been reduced.

Those responsible for the capital investment are trying to avoid the normal consequences of excess, the loss of some of their capital. This natural unwillingness to accept a capital loss is the basic cause of the policies of restriction.

From *The City Press* (London)
December 6, 1963

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Hail to AUTOMATION!

JOHN C. SPARKS

SOCIETY is often viewed as something so complex that it needs an equally complex organization to run it. Consequently, there is a tendency to justify acts of organizations or groups that cannot be morally justified for individuals.

This is like devising special rules of mathematics to be used only when large numbers are involved, or supposing that water in a small cup would be different from the water in Lake Erie.

The natural laws of God pertaining to man in society are not temporarily arrested simply because *more* people, *greater* sums, or *longer* distances are involved. Yet every day we observe supposedly intelligent men succumbing to the fallacy of complexity.

Recently, I participated in a panel to seek solutions to the problems arising from automation. One panelist, a professional labor union leader, went into great detail describing proposed labor legislation and contract objectives that he believed would result in more jobs to offset those allegedly eliminated by automatic production equipment.

He proposed a 30-hour week, an annual 13-week vacation, and a one-year-in-seven "sabbatical" – all, of course, at the original pay received for a full year of 40-hour weeks. The reasoning went like this: If each employee works fewer hours out of the total hours required to operate a factory, then more people must be hired – therefore, more persons will have jobs than before.

As the labor official spoke, a picture came to mind of a man I had known in my youth. Old Jim lived in a small house on a large lot one block from our abbreviated downtown section. There in the summertime grew all kinds of vegetables – rows of tall corn and tomato vines shored up by poles – with scarcely a spring or summer day

Mr. Sparks is a business executive of Canton, Ohio.

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that did not find Jim busily at work in his huge garden. He lived alone, and I never ceased to wonder, as a boy, how he could possibly eat all his garden yielded. Later, I found that Old Jim canned his vegetables and thus supplied his own food for the entire year. The little money he needed probably came from occasional odd jobs. His house was neat and in good repair. His entertainment seemed to come from children, like me, whose endless questions never failed to amuse him.

Now it came to me why the labor panelist had brought to mind Old Jim, of whom I had so often asked in my youth, "You always work so hard; why don't you take a vacation?"

His reply never changed, "Can't afford to."

"Why not?" I would press.

"Because I like to eat when the snow flies," he would chuckle. It made sense, for one could plainly see that nearly all of his possessions came directly from his own work. If Jim did not make it or grow it, chances are he did not have it.

As the labor official spoke of an annual 13-week vacation, I could hear my boyhood self asking, "Why not take a 13-week vacation, Jim?" Jim most surely would have replied, "Thirteen weeks vacation would starve me to death, boy!"

Perhaps not starvation, but obviously if a person were to cut three months of production effort out of a year, his material level of living would be drastically reduced. Is organized labor suggesting that its members have their real income cut back by one-fourth? No, they intend that each employee shall receive his entire year's pay — four-fourths — even though he produces only three-fourths; and the gullible stand ready to believe the impossible if someone promises it to them.

The complexity introduced by dollar bills causes the labor official to say, in effect, that a vacationing employee can have his cake and eat it, too. No one can perform such hocus-pocus any more than Old Jim could have had food in the wintertime from vegetables neither planted nor canned had he taken a three-month summer vacation.

Can Get Only What Is Produced

If there were no government interference in agriculture to cloud one's common sense, it would be clear that the purchasing power of a farmer is the corn, wheat, and other produce he raises. If he wants more purchasing power, he increases his output through more effort and bigger investment. A farmer who produces 4,000 bushels of corn has more purchasing

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power than his neighbor who has produced 3,000 bushels. The same principle applies with respect to tires, roller bearings, ceramic tile, shoes, and so on. For example, let us suppose a factory employing 120 production workers makes 12,000 color TV sets a year. The sets are sold to distributors for $150 each. Here is a breakdown of the company operations:

SCHEDULE A

	Each Set	*12,000 Sets*
Wages	$ 50.00	$600,000
Materials, etc.	60.00	720,000
Fixed Costs	32.50	390,000
Earnings*	7.50	90,000
Sales	$150.00	$1,800,000

*12%, before taxes, as return on $750,000 investment.

The minimum sales price to cover all costs and the investors' 6 per cent (after taxes) is $150.00. The firm could not charge less and pay its obligations. Competitors' prices probably keep the company from charging more.

Just as the farmer's purchasing power can be measured by the bushels of grain he grows, so can these productive workers measure their purchasing power by the TV sets they produce, that is, to the extent that their efforts contribute to the total market value of each set. In the above example, the labor is one-third of such value, $50 of the total $150 sales price. Since 12,000 sets were produced by 120 production workers, the average is 100 sets each. One-third of 100 sets equals 33⅓ sets, the average purchasing power of each production employee. It can also be stated in dollars by multiplying 33⅓ sets by the sales price, $150.

Next, let's try the 13-week vacation idea on our theoretical manufacturer. If one-fourth of the workers are to be on vacation at all times, the company must hire 40 additional people, making 160 production workers, each working nine months a year rather than twelve. If each performs at the same rate of productivity as before, the total number of TV sets produced will be the same – 12,000 – since only 120 workers will be producing at any one time during the year. Those on vacation do not produce any sets. The company has only 12,000 TV sets to sell, the same as before. Presumably, the selling price is as high as the company can ask. Possessing no magic wand that will cause the consumer to pay a higher price and having no increased number of sets to sell, the company cannot pay more total dollars for labor than it did before, namely, $600,000. This time, however, the $600,000 is divided among 160 employees rather than 120. The average income earned annually is now only $3,750, down from $5,000. In-

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stead of the previous 100 sets produced per worker, 12,000 sets divided by 160 employees equals 75 sets a year – down 25 per cent because each worker now vacations 25 per cent of the year. Since he receives one-third the total value of the sets he produces, he now receives the equivalent of 25 sets instead of 33⅓.

But, no, says my fellow panelist, the $5,000 dollars previously paid for twelve months work now must be paid for nine months work!

Cannot Get More

There are only two ways to accomplish this feat, either by inflation (government fiat), or by raising the selling price. The first is a deceptive method so that while the worker, in fact, will be paid $5,000 as before, the dollars will have shrunk in value. His purchasing power remains the equivalent of only 25 sets, still down from 33⅓ sets. It matters not whether his annual wage is 50,000 or 500,000 paper dollars. It matters only what the dollars will be able to buy in the market place – and they simply cannot command more than the value of the 25 TV sets he has made.

As previously discussed, it is futile to try to raise the selling price, unless quality is improved or new features added. To attempt such noncompetitive action would probably lead to disaster for the company and an end to the jobs it has provided.

Answer — Produce More

The solution to the "problem of automation" is to understand and support the goal of better tools for mankind. We should embrace, adopt, welcome, *hail* – automation! Work with it, not against it.

Easy enough to say, some may think, but the person displaced by automation seldom sees it that way while he sits on the sideline jobless or makes the necessary adjustment and preparation for a new job.

The painful necessity to change jobs may draw sympathy from friends and acquaintances, but it is hardly sufficient reason to abandon the economic "system" that yields so plentifully to so many. Every day finds some persons unwillingly relinquishing their economic position to the newcomer or the upstart. The downtown storekeeper sees his suburban competitor pass him by. The top-ranking movie heart-throb of a decade ago loses his popularity with the younger female fans. The hula-hoop manufacturers rise rapidly to the top and just as rapidly skid to oblivion. Less publicized are thousands who attempt unsuccessfully to launch new busi-

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nesses. Are all of these any less deserving than the wage or salary earner hurt when the changing character of the market place also touches him?

Lack of understanding breeds suspicion and distorted vision. It is important to understand how automation has been applied in the past and how it will apply in the future if unimpeded by artificial restraints. Let us revise our earlier example accordingly.

How Automation Raises Product Availability

The owners are convinced that they should invest an additional $250,000 to improve mechanization. This will enable the 120 production workers to produce 18,000 sets a year, an increase of 50 per cent over the 12,000 sets made with the older equipment. Following is a revised breakdown of the same company's operation with better equipment (automation) and the same number of employees:

SCHEDULE B

	Each Set	*18,000 Sets*
Wages	$ 33.00	$ 600,000
Materials, etc.	60.00	1,080,000
Fixed Costs	21.67	390,000
Earnings*	6.67	120,000
Sales	$121.67	$2,190,000

*12%, before taxes, on original $750,000, plus $250,000 new investment for automation.

Note that in this illustration 18,000 sets (instead of 12,000) have been produced with the same total labor costs and fixed costs, the same cost of materials per set, and the same 12 per cent earnings before taxes on capital invested; which means that the minimum sales price needed to cover all obligations is now $121.67 a set instead of $150.00. The company thus is much better able to compete than before.

Though the savings were all passed on to the consumer for purposes of this illustration, it is more likely that some would go to the production worker, some to the office employee, some to the salesman, and so forth. Note, too, that while fixed overhead costs remain the same in total, the fixed cost per set drops from $32.50 to $21.67, a significant gain as the next example will further illustrate. So, through automation, each production worker is able to turn out 150 sets, instead of 100, in contrast to the "big-vacation, create-nothing" scheme of the labor panelist.

Fear — Same Output with Fewer Workers

The bogeyman feared by my fellow panelist is that of a plant automated to produce only 12,000 sets as before, but with fewer workers. Let us apply this idea to the first example, assuming

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that additional investment would be available under these circumstances. Following is a revised breakdown using only 80 production workers to produce 12,000 sets on equipment that can produce 50 per cent more than the old equipment:

SCHEDULE C

	Each Set	*12,000 Sets*
Wages	$ 33.33	$ 400,000
Materials, etc.	60.00	720,000
Fixed Costs	32.50	390,000
Earnings*	10.00	120,000
Sales	$135.83	$1,630,000

*12%, before taxes, on original $750,000, plus $250,000 new investment for automation.

Although each production worker in this illustration produces 150 sets (12,000 sets ÷ 80 employees), note that no savings occur in the fixed overhead, and the minimum sales price to cover all obligations is more than $14.00 higher than that shown on Schedule B.

Reality — Produce More With Same People

Major gains can come only through increased total production, not through constant output with fewer employed personnel. If the last two examples had reflected the operating decisions of two different companies competing against each other, it can readily be seen that the first company (Schedule B) is in a much more favorable competitive position than the second company (Schedule C). Company B has room to undersell Company C by 10 per cent and still cover its obligations. Demands by labor and price competition can be met more easily by B than by C. Indeed, it is in this manner that all levels of material living have risen throughout industrial history. Successful firms have utilized better tools and equipment — that is, automation — to bring *more* and better goods to market at lower prices. Companies failing to follow this route usually fall by the wayside.

Fear — Overproduction

Here we encounter another automated bogeyman. Says my fellow panelist, warehouses soon will be so full from *over*production that all wheels will stop. Nonsense! It is nonsense, that is, unless normal economic exchange is stopped by a synthetic rigor mortis of artificial restraint applied by government directly or by other organizations operating under special privileges.

Reality — Few Are Without Additional Desires

I've never known a person whose wants in clothes were satisfied, particularly the "she's." Nor do persons seem to reach a

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saturation point for cars, books, high-fidelity records and players, swimming pools, boats, camera equipment, or electronic organs. No college has sufficient facilities, no library enough books, no hospital without need for additional beds and technical instruments. It can be fun but frustrating to make one's own list of desirables that are currently beyond the reach of the old checkbook. These desirables can be attained only through greater production. The fear of general "overproduction" through automation is out of order in a free market economy. An occasional manufacturer may misjudge the demands of the people, producing a product no one wants at the price being asked. This, of course, is his error alone and his responsibility.

Automation Is Key to Better Material Living

Automated production methods give increased supplies so that more goods may be utilized by more people. At the same time, automation allows costs (and selling prices) to drop, helping to augment sales and thus building dreams into realities for more and more people every day.

Compare the inexpensive pocket-size radio of today with its higher-priced and poorer-quality counterpart of 35 years ago. Or, consider the change in the price and quality of television sets from 1948 to 1964.

The telephone service is a good illustration of an intensely automated industry. Compare these statistics from annual reports of the Ohio Bell Telephone Company:

	1940	*1960*
Employees	9,894	19,795
Annual payroll	$18,400,000	$113,700,000
Telephones	827,000	2,705,000
Long-distance calls	29,000,000	128,000,000

The number of employees doubled from 1940 to 1960 but they were able to service more than three times the number of telephones and handle more than four times the number of long-distance calls. The long-distance day-station-rate has declined, even when today's rates are stated in inflated dollars. In 1920, this rate was $14.10 to call from Canton, Ohio to San Francisco, California. In 1940, it was only $3.75. In 1960, the rate dropped to $2.10. Furthermore, the area of "free" calling (formerly long-distance calls) has expanded tremendously. Automation has been the means of reducing telephone rates for both local and long-distance calls while improving the quality of service and connecting more users than ever before. This telephone company example is not an isolated

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case, but is typical of the widespread accomplishment of automation.

Better manufacturing methods, improved parts, and more efficient distribution bring increasing varieties of commodities within the purchasing power of all consumers. Automation and its fruits are thus shared unless blocked by ill-advised labor contract restrictions or legislative prohibitions and penalties.

Machines and men together produce these fruits. The closer man works with tools the better his prospects for economic well-being. It is that simple. The transition from a 12-hour day to 10 and 8 and perhaps eventually to 6 should be the result of the voluntary choice of each person. Historically, such reduction in hours is closely tied to the availability and use of better tools and equipment. Primitive man, lacking tools, had to labor all of the daytime hours and much of the night just to scratch out a bare minimum existence. A six-hour day certainly would have brought starvation to him and his family. With more and better tools, human operators can afford to work fewer hours. A person tends to work with diligence to provide to the best of his ability what he considers a proper and balanced living. If he can achieve these desires in less time – through skills, and especially through better tools – he may no longer want to work the same number of hours as before, preferring additional leisure to enjoy more satisfying mixtures of physical, mental, cultural, and spiritual objectives.

To best achieve his evolutionary destiny, his Higher Consciousness, man must have the time and energy to reflect upon the spiritual and the philosophical. But such progress will not be forced through legislation. Man grows in spirit and in truth only according to his own determination.

Less effort expended yields fewer fruits, no matter what the starting point used for comparison. An early American colonist would have reduced his purchasing power had he stopped working a quarter of his time. The same was true of Old Jim. And the same holds for a present-day employee no matter how highly automated his job may be. The introduction of an electronic assembling machine in a factory, or of fertilizer in Jim's tomato patch, merely allows mankind to move toward better days. Condemning and interfering with such burden-saving devices is scarcely what one should expect from the creature God has endowed with the twin potentials of intelligence and moral judgment. ◈

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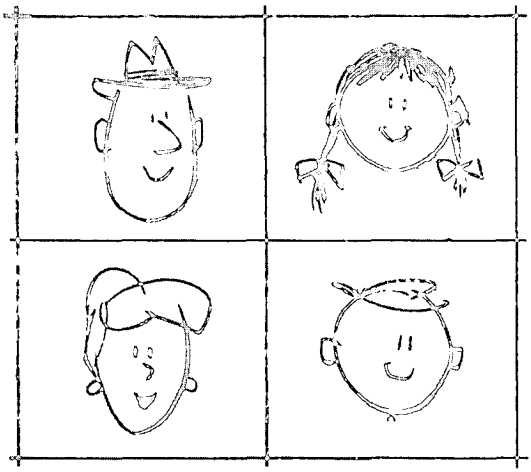

The Greatest Waste

PAUL L. POIROT

THERE is much concern today about waste of natural resources. The land area of this earth is limited, and much of it is being put to wasteful use. Soil erosion is a serious problem. Forests are being denuded, timber supplies threatened. Scarce minerals and metals and coal and oil and gas reserves are being consumed. Many communities face serious water shortages. Wild life is jeopardized, on land and in the sea. The fear is that people are multiplying out of proportion to known resources, and that future generations will be unable to survive.

There's no disputing the importance of the survival of the species; our lives may depend on it. But it is strange that people seem most concerned about this problem at the very time when they are surviving in better condition and greater numbers than ever before. It would almost appear that mankind thrives by wasting resources; though the better he thrives, the more he worries at the waste of it all.

In a primitive foraging society where each person is primarily a consumer like every other, it doubtless would be true that the greater the number of persons, the fewer would be the resources available to each – and growth might mean death. But civilized, specialized, trading man is a factor of production as well as a consumer. And a growing population might well mean a higher level of

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living for each person, as men find new uses and new sources of materials previously unknown.

It should be obvious to anyone living in the United States today that the much-feared depletion of natural resources in no way explains how or why 191 million persons now exist in comparative luxury and ease in a land that barely supported a million persons at a primitive subsistence level before the arrival of the first white settlers a few centuries ago. The mere presence of people does not tell the full story, of course; witness the teeming millions living today near starvation levels in much of the world. Yet the economic miracle of America does testify that 191 persons can live in comparative luxury where one lived sparingly before, relying on the same basic resources, but multiplied by the creative energies of individuals when each is relatively free to develop in his own best interest the potentialities of his being.

Vital Human Resources

The point is that *human resources* are at least as vital to economic well-being as are such natural resources as land, minerals, fuel, water, and the like. And by far the most important lesson in the history of men and nations is the long sad story of the waste of human effort and human life, simply because some persons have taken it upon themselves to enslave and regulate and control and deny others the freedom of choice and the responsibility for their own well-being.

Almost everyone in the world today is concerned about whether the reserves of petroleum are sufficient to meet the fantastic and growing demands for the product. And some contend that this valuable natural resource is being wasted. They overlook how many human lives were wasted during the centuries before men learned of the vital properties and potential uses of petroleum.

To some at the time, it might have seemed that candles and midnight oil were being wantonly wasted by Thomas Edison and the numerous others, perhaps unknown to one another, whose inventive minds offered electric lighting to mankind. But perhaps the real waste could better be visualized in terms of the human lives lost over the centuries through ignorance of the qualities and uses of electrical energy.

Who knows how many potential geniuses failed to be born, or died in infancy, for lack of the wonder drugs and other miracles of medical science that are taken for granted today?

There might be more standing

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timber and fewer "pulp" magazines in our time if printing presses had never been devised. But how many lives were wasted in the centuries before men learned to write or read or communicate freely through the press? How much timber had to be "wasted" to clear land for farming, or to pave the way to discovery of steel rails and beams and other forms to displace wooden structures, these in turn to give way to aluminum, or glass, or plastic?

Intervention Is Waste

Perhaps it is time to spell out more clearly here what we mean by "waste": *To the extent that any person or group interferes with another's peaceful purpose, contrary to his wishes, that is waste.* Many readers will see at once the implications in this definition, for they might define "liberty" in similar terms: *To the extent that no person or group interferes with another's peaceful purpose, contrary to his wishes, that is liberty.* All we have said, then, is that waste occurs when there is any negation of liberty. Well, that's not bad for a start!

Unless one holds the view that he, himself, is God, he should be prepared to concede to every peaceful person as much liberty or freedom of choice as he claims for his own. Human beings are fit neither to rule, nor to be ruled by, one another. Just as each person's best hope for his own emergence is through his own choice and responsibility, so the best hope for human progress is through liberty for every peaceful person. This is not to imply that we have learned to resist violence without fighting back, or that we can foresee a society without need for government as an organized defensive force against individual and collective criminal activities. We merely contend that *the best hope for self-emergence and for human progress is through liberty for every peaceful person.* Any deviation from that is waste.

When waste is thus defined as any negation of liberty, it scarcely makes sense to speak of the waste of coal or iron or land or timber in such broad general categories. If liberty is a strictly human condition, then so is waste; the terms have no applicability to things or to lower animals. The waste, if any, is imposed by man on man.

Man, of course, is a complex being, and a part of each of us in this world is the property he owns —the resources he has appropriated to his own purpose and use without infringement upon the just claims of any other person.

Now, some others, of course, may think that an owner is using

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his property unwisely or even wastefully, just as some persons may think that another is wasting his own time or his own life. But if we concede that liberty affords the best hope for human progress, we thereby agree not to try to live others' lives for them; and one person cannot know or say for certain that someone else is wasting his life in peacefully doing as he pleases. Nor can one say that another is wasting his own property so long as he uses it without injury to other peaceful persons. For all others know, he may be inventing a wheel, or a printing press, or an electric light, or some other potential boon to mankind. If each person is free to judge and decide how best to use his life, his time, his property, the safest presumption is that he will not deliberately waste them.

Government Controls People

Does the foregoing analysis mean, then, that by definition we have ruled out all possibility of waste in the traditional sense of the word? Far from it; we are merely looking at the long-neglected other side of the coin. What we are suggesting is that resources are wasted whenever the private property of any peaceful person is taken without his consent for redistribution or use by others who have done nothing to earn it. We are not referring here to taxes properly levied and collected to support the government in its limited role of defending life and property. We are referring to taxes improperly taken to finance all kinds of government intervention at home and abroad that violate, rather than defend, the lives and property of peaceful persons: that is waste.

Involved in such government-actuated waste may be the timber land a man owns, or tillable farm land, or the mineral rights or the air rights to his property, or water rights, or other privately earned and owned resources. To take such property without the owner's approval is to deny its use for the purpose he had intended – thus, to that extent diminishing his life. In the final analysis, it is human life and liberty that matter, and it is human life that is wasted when liberty is violated.

As Dean Russell has well observed, "Price control is people control,"[1] and so is rent control, wage control, rationing, tariff and protectionist legislation of all kinds, immigration control, interest and money and banking regulation, exchange control, airways and airwave control, postal regulation, managed news and censorship, and countless other aspects of intervention. This is waste,

[1] See *The Freeman* October, 1961, page 25.

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originating in the authoritarian acts of men, the real cost of which is measurable in human lives. Life without liberty is sheer waste.

Faith Must Be Strong To Rely on Freedom

It is not expected that this brief analysis will allay the fears of all who are concerned about the depletion of natural resources – those, for instance, who are firmly convinced that the government ought to intervene and set aside vast tracts of timberland lest private interests strip them bare and leave future generations without forest products. We have merely tried to point out that such conservationists, who are determined to live and control the lives of their contemporaries on behalf of posterity, are presuming to be wiser than God.

Instead of devoting their own lives and their own property to reforestation, which they allege to be of first importance, their time and effort are devoted to wasting the lives and denying the individual goals of fellow human beings. They presume that had they been in charge of planning in the past, the resulting progress for all mankind would have been greater than man has known when each was free to try. They reject the entire history of civilization, and say, in effect, that compulsory collectivism affords a better hope than liberty. They know for sure that rocks and trees are more important than liberty and human life – that God had no business allowing individuals minds of their own! Leave reforestation to the voluntary efforts of individuals? Not on your life!

Nor is this analysis expected to refute the faith of those who see no way to live without government highways and government schools and government waterworks and thousands of other government projects over and beyond the strict police function. Surely, they will contend, not all of these can be counted as sheer waste; human lives would be devoted to those projects even if the government took no hand in them at all! Probably true; but all we have tried to point out here is that, if they are right – if men would have done these things voluntarily anyway – then it was sheer waste to resort to coercive measures to force some persons to do what others would have liked to do and undoubtedly could have done better. Our point stands: *to the extent that any person or group interferes with another's peaceful purpose, contrary to his wishes, that is waste.* And the only alternative is liberty. ◈

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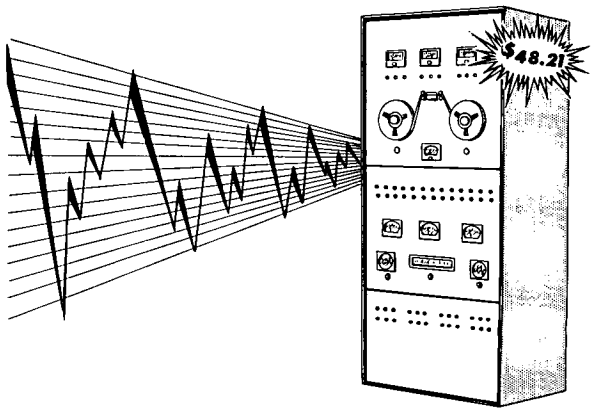
THE MARKET IS A COMPUTER



LEONARD E. READ

WHEREVER there are people, there will be a market of some sort. The market can no more be eliminated than can its primary components – production and exchange.

Further, the market, be it rigged or free, is an enormously complex computer. It receives the data fed into it and gives off signals in the form of prices. Keep in mind, however, that a computer cannot exercise judgment; its answers merely reflect the data it receives; feed it wrong data and its pricing signals will be misleading or, as they say in the computer profession, "GIGO!": *Garbage In, Garbage Out.*[1]

Consider, first, the free market computer, as if it existed. Billions of data flow into it continuously. The data are composed of every wish, desire, fancy, whim, like, and dislike of every person on earth. Included in the data are all efficiencies, inefficiencies, inventions, discoveries, as well as the reports of all rising and falling supplies and all rising and falling demands. All degrees and variations of competitive forces and all bidding and asking prices of all goods and services are grist for the mill. Even people's anticipation of how a flood or a drought or a freeze might modify supply are automatically admitted, as are expectations of managerial competence or failure or the effects of a Pres-

[1] The pros pronounce it guy-go.

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ident's ideas or health or whatever.

The free market computer gives accurate answers in prices, signaling to all would-be entrepreneurs to get in or get out or to step up or to diminish particular economic activities. This is the way that supply and demand are caused, automatically, to tend toward equilibrium. The free market computer is truly free: its accurately instructive answers are founded on *free* exchange data; its services are *free*, with no more cost than the sun's energy; it *frees* each and all of us from the impossible task of assembling the billions upon billions of data behind our daily decisions.

Barely Tried

The free market computer has never been permitted to function on a world-wide basis. It has had only partial, regional, short-run trials. Certainly, one of the most comprehensive tests occurred in the U.S.A. during the century beginning about 1830. Perhaps the small Crown Colony of Hong Kong affords the best test at this moment in history. We do know from a study of the evidence, as well as from *a priori* reasoning, that the less the free market computer is interfered with or "rigged" the better do people prosper, the more nearly universal is economic well-being. The term GIGO is never applicable to the free market computer; the complex data are truthful, unrigged expressions of the universal economic situation in its continuous ebb and flow, and the price signals, ever changing, are accurate responses thereto.

The U. S. Version

Consider, second, something quite different, the U.S.A. market computer as it presently exists. Many of the data are not derived from free exchange and free choice; they are politically rigged. Numerous prices for goods and services are arbitrarily set by government or by labor unions: minimum wages, maximum rent, ceilings on earnings, interest, hours of labor, and so on. What and how much one may plant on his own land is more and more determined not by free choice but by political decrees backed by police force. The fruits of one's own labor are increasingly siphoned off for urban renewal, paying farmers not to farm, putting men on the moon, subsidies, below-cost pricing of items such as TVA electricity rates, and countless other pet projects.

But the signals of the present U.S.A. market computer, like the free market computer, reflect the data. No more judgment is exer-

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cised by one than by the other. Many of the data of the U.S.A. market computer are erroneous; the price signals, as stop and go signs, are and must be to some extent misleading; there is a generous portion of GIGO!

When entrepreneurs act on misleading signals, they drain or glut the market; that is, they create shortages or surpluses – phenomena of the rigged, not the free market. Here's how rigged data bring about a shortage: Mink coats, for example, are not now in short supply. They are on display in stores throughout the nation. But let the government decree that the ceiling price on mink coats shall not exceed $25.00 and immediately, there will be a shortage of perhaps 50,000,000 mink coats. Why? Because no one wants to sell them for such a price, and because there are that many women who have $25.00 and desire a mink coat! Remember OPA days?

Now, observe how rigging can and does bring about surpluses: Let the government decree "support prices," that is, guaranteed prices over and beyond what a free market computer would signal, and entrepreneurs will produce more than the market will take. This explains why we now cram into ships, warehouses, granaries, and whatever kind of storage government can lay its hands on, some 1,330,000,000 bushels of wheat, more than 205,000,000 pounds of butter, 289,000 pounds of tung oil, 355,000,000 pounds of dried milk, 1,500,000 bales of cotton, 1,700,000 gallons of turpentine, 34,140,400,000 pounds of grain sorghum, 1,412,193,000 bushels of corn – the list grows wearisome![2]

The Russian Market Computer Has Been Rigged

Consider, third, something very much different, the Russian market computer as it now exists. It is out of kilter and noninstructive simply because practically all data are rigged, riggers being in control over there. Free choice is at a minimum. What can be produced and what consumed is politically dictated by the riggers. Prices, too, are rigged; for in a command economy it is not possible for prices to be set in any other manner. Thus the Russian market computer is fed "garbage in" on so grand a scale that price signals are quite useless as production guides!

The Russians, so far as we can learn, have admitted the free market computer to operate in one tiny segment of their economy.

[2] See "Agricultural Statistics," 1962, pp. 632. U. S. Government Printing Office, Washington, D. C.

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A small fraction of the tillable land is (in effect) privately owned, and freedom of choice is granted as to what's produced and how it is priced. The results, while fantastic, come as no surprise to anyone with an awareness of how freedom principles work when put in practice: Private plots make up only 3-5 per cent of Russia's farm land, yet they yield a product astonishingly out of proportion to that small share. In 1959, some 47 per cent of the nation's meat came from them, 49 per cent of the milk, 82 per cent of the eggs, 65 per cent of the potatoes, and 53 per cent of the vegetables.[3]

Within this limited area of choice for the Russians, economic calculation is made easy. They do not know (nor need they know) a thing about the complex data that is fed into their little, isolated market computer. By merely observing a few of its signals – prices – as do those of us privileged to live in freer societies, they know, to some extent, what and what not to produce; that is, they are automatically informed as to the best allocation of their own scarce resources. Aside from this islet of agricultural freedom, economic calculation in Russia is out of the question.[4] As a consequence, nothing better than political calculation – bungling guesstimates – is possible.

The Russian political riggers, in making their guesstimates, do take peeks at the other market computers in the world, most of these others being more or less instructive, depending on the extent to which they are founded on free exchange.[5] For instance, if to remove our own wheat glut, brought on by our own political rigging, we offer our surplus at

[3] *The Wall Street Journal*, May 17, 1961, p. 12. Also see "Private Farming Big Aid to Soviet," *The New York Times*, November 28, 1960.

[4] Professor Ludwig von Mises deserves the greatest praise for logically demonstrating that the socialist community is incapable of economic calculation. See his *Socialism* (New Haven: Yale University Press, 1953), pp. 113-122. $10.00. Refer also to "Soviet Economists Part Company with Marx" by Dr. Trygve J. B. Hoff. *The Freeman*, September, 1960.

[5] Aleksy Wakar and Janusz Zielinski, leading professors of the Central Planning School of Poland, astonishingly for socialists, say, "The best methods of producing a given output cannot be chosen [by socialist methods of calculation] but are taken from outside the [socialist] system . . . i.e., methods of production used in the past, or so-called 'advanced' methods of production, *usually taken from the practice of more advanced countries and used as data for plan-building* by the [socialist] country under consideration." (Italics mine.) See *The Journal of the American Economic Association*, March, 1963.

I doubt that anyone can have the slightest concept of correct economic theory without grasping the significance of economic calculation. For a clear, simple, and excellent explanation see "Play Store Economics" by Dean Russell. *The Freeman*, January, 1964.

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a price below which the Russian Commissars guess it will cost them to raise wheat by slave labor, the Commissars will effect some sort of a trade with us. By so doing they can then force their own wheat-growing slave labor into other endeavors, perhaps into producing military hardware. But the signals from these other market computers are not received *automatically* into the Russian market computer for it is jammed; if you like, it is surrounded by an Iron Curtain. The Commissars, alone, can hear the signals, but what can they do with them? Any market computer, to function perfectly, must automatically receive all complex data, and this is impossible unless there be freedom in exchange. This prime requirement is not met in the Russian situation since the free flow of goods and services across their borders is no more than a trickle.

Freedom in Exchange the Key

To repeat, the free market computer renders its services for free, and it frees us from the impossible task of collecting billions of flowing data but – and this is the all-important point – *freedom in exchange* is an absolute, unmodifiable condition. Freedom in exchange is the key, the secret; a secret, I must add, which is all too well kept!

The secret unfolds itself easily enough if we will conceive of human action for what it really is: human energy in motion – a flowing performance. Potential human energy is enormous, and all creative human energy is incalculably varied; there are as many variations as there are persons; no two of these creative energies are alike. However, potential, creative, human energy, to be useful, must become kinetic, flowing, performing energy. But it cannot flow except as it is freely exchangeable.[6] Imagine anyone trying to exist exclusively by his own energy. Were each of us dependent entirely on his own type of creative energy, all of us would perish.

Free exchange remains so little understood because it has no posi-

[6] Free exchange can never be wholly squelched, regardless of how powerful the dictatorship. People, to live, will smuggle and form black markets. For instance, it is generally supposed that the useful goods and services in Russia, such as they are, originate with socialism – the Kremlin's rigging. Nothing of the sort! The Russian people are bursting with creative energy. What actually is witnessed in the production of useful goods and services is but the result of pent-up creative energy forcing its way through the political rigging. The Kremlin, being composed of political riggers and not economists, erroneously concludes that the escaping, free energy is its accomplishment! Indeed, if it were not for the fact that most Russians, in most of their dealings, "cheat" against the theoretical communist system, they would all starve to death.

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tive explanation; it is that state of affairs which exists in the absence of obstacles, but no one can ever say what that state of affairs will be. However, only prices founded on free exchange data are usefully instructive, *for they alone convey actual value: the value of any good or service being what others will give for it in willing exchange.* Data founded on unwilling or unfree exchange (rigged) is "garbage in" and, thus, valueless.

A Russian or Polish Commissar, for instance, can be informed of U.S.A. prices – signals from the U.S.A. market computer – in a fraction of a second. Yet, if these prices are founded on rigged data fed into the U.S.A. market computer – such as our wheat prices – the rapid communication is nothing but the speedy transmittal of "garbage out." Only if free exchange prevails do the signals have useful instruction. This important point needs nothing more to confirm it than to reflect on how completely we dismiss Russian prices. They have no instruction for us whatsoever. The distinction between theirs and ours is only that theirs is all GIGO, ours only partially so. Were giant Russia a free port, like little Hong Kong, all the world would look to Russian prices for instruction. For instance, when we wish to know the real value of gold, we ask its price where it is freely traded, where there is freedom in exchange. Were all the world's gold freely exchangeable, the market computer would give us a precise, accurate, and instructive answer as to its value. (This is not to say that governmental intervention has no effect on prices; it most certainly does, but the effect is in the form of misleading, not instructive, prices.)

One Market for Everyone

Before presenting some work-a-day examples of the market-as-computer concept, it is relevant to ask, how many market computers presently exist? Were there no rigging at all in our or any other country – that is, were freedom in exchange universal – there would be but a single, universal market computer. All the data flowing into it would be accurate as would the signals in the form of prices. However, economic understanding is and always has been faulty; thus, no such market computer has ever existed, nor is it likely to. The ideal has never been permitted; so, in its stead, we have literally thousands of market computers, the GIGO factors ranging from fractional to complete. If economic understanding advances, the number of market computers will lessen and their

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performance will improve. We can hope for nothing more than moving toward the ideal.

Now for an example by Frederic Bastiat, a remarkably astute economic observer. Certainly, the French market computer of 1846 was considerably rigged; yet, relative to others at that time and since, it was in good working order. Wrote Bastiat:

> On entering Paris, which I had come to visit, I said to myself – Here are a million of human beings who would all die in a short time if provisions of every kind ceased to flow towards this great metropolis. Imagination is baffled when it tries to appreciate the vast multiplicity of commodities which must enter tomorrow through the barriers in order to preserve the inhabitants from falling prey to the convulsions of famine, rebellion and pillage. And yet all sleep at this moment, and their peaceful slumbers are not disturbed for a single instant by the prospect of such a frightful catastrophe. On the other hand, eighty provinces have been labouring to-day, without concert, without any mutual understanding, for the provisioning of Paris. How does each succeeding day bring what is wanted, nothing more, nothing less, to so gigantic a market? What, then, is the ingenious and secret power which governs the astonishing regularity of movements so complicated, a regularity in which everybody has implicit faith, although happiness and life itself are at stake? That power is an absolute principle, the principle of *freedom in transactions*. . . . In what situation, I would ask, would the inhabitants of Paris be if a minister should take it into his head to substitute for this power the combinations of his own genius, however superior we might suppose them to be – if he thought to subject to his supreme direction this prodigious mechanism [market computer], to hold the springs of it in his hands, to decide by whom, or in what manner, or on what conditions, everything needed should be produced, transported, exchanged and consumed? Truly, there may be much suffering within the walls of Paris – poverty, despair, perhaps starvation, causing more tears to flow than ardent charity is able to dry up; but I affirm that it is probable, nay, that it is certain, that the arbitrary intervention of government [rigging] would multiply infinitely those sufferings, and spread over all our fellow-citizens those evils which at present affect only a small number of them.[7]

Fantastic Performances To Be Seen All About Us

Few of us, when viewing Paris or New York City or our home town, ever discern the miracle wrought by freedom in exchange as clearly as did Bastiat. Nor do we readily see that such a fantastic performance as the automatic

[7] This extract is from *Social Fallacies*, Register Publishing Company edition, 1944.

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provisioning of Paris could never be turned over to a minister and his minions without disaster. These people from the eighty French provinces were unaware of what the other millions of producers and distributors were doing; they had no firsthand knowledge of the shifting in tastes and fancies of Parisian consumers. Of the countless data these anonymous producers knew nothing. All they did was to let their own self-interest respond to the market computer's relatively few signals: prices. Their instructions were received from prices. To the extent that the prices were reflections of free exchange data, to that extent were the instructions faithful guides. To the extent that the data were rigged, to that extent were the instructions misleading. That the data were more right than wrong is self-evident: the million people in Paris were provisioned with no more thought on the part of each than you or I give to the supplying of a restaurant in Hong Kong at which we plan to dine next month.

Nor need we confine our reflections to such miracles as the provisioning of cities. What about producing a jet plane or an automobile or a ball-point pen? No single person on earth knows how to make any one of these or tens of thousands of other fabricated items by which we live. The participants in the making of a cup of coffee – growers, makers of bags, ships, engines, freight cars, cartons, cans, producers of gas, oil, electricity; metallurgists, blenders, tasters, warehousemen, brokers, merchants, printers, on and on from all over the earth – are not, by and large, even aware of each other's existence. They do not work as a coffee committee or in conscious concert. With no attention to or thought of each other, these countless producers merely watch prices: stop and go signals from the market computers. Presto! We who want coffee have it on our tables with no more part in it than the brewing and voluntarily parting with a fraction of our income: willing or free exchange.

Freedom Follows the Market

The market is a computer; the rigged market is GIGO to the extent that it is rigged and, thus, to that extent, imperfect; *the free market is the perfect computer.*[8]

Computers, with the speed of light, give impersonal answers or signals from the data fed to them.

[8] This is not the claim of a partisan but hard fact. It merely means that values – as determined by willing exchange – are computed freely, that is, without intervention, distortion, rigging. To assert that the free market is the perfect computer is as axiomatic as asserting that a flow is perfectly free if wholly unobstructed.

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Men, like mice gnawing among the labyrinth of wires in a telephone exchange, can and do rig and, thus, distort, disfigure, and destroy many of the data. The motives for so doing include protection against competition, a belief that value is determined by the amount of effort exerted, ignorance of the inability of any man to run the lives of others, a conviction that the communistic maxim "from each according to ability, to each according to need" can be administered by force without injustice, the insistence on feathering one's own nest at the expense of others, and countless other motivations. But, regardless of the reasons, the rigger imposes his errant ways on all the rest of us; he plays authoritarian!

The free market computer is the Golden Rule in economic practice. Value has nothing whatsoever to do with effort exerted; value is what others will willingly exchange for one's goods or services. In this manner it respects the wishes and performances of everyone impersonally. There are no favorites. It is the only means there is for the automatic and speedy allocation of scarce resources; that is, it is the method for bringing a scarce and high-priced good or service within the reach of more and more people. It is the miracle worker, demonstrated over and over again before our eyes daily.

A free market, of course, is out of the question except among a people who prize liberty and know the imperatives of liberty; for instance, no one can rationally prize liberty for himself more than for others. Liberty, we must bear in mind, is not a one-man term, but, like the free market, finds its complete realization in universal practice: every man on earth is born with as much right to his life, his livelihood, his liberty as I.

To realize liberty, to tear ourselves loose from political rigging, to unshackle creative energy, to achieve freedom in transactions, does not, as many contend, require that the individual wait until all others take these steps in unison with him. Implicit in such a counsel of delay is the taking of no steps by anyone, this being fatal to liberty. An individual can stand for liberty all by himself; a nation can practice liberty to its own glory and strength though all other states be slave. The blessings of liberty are conferred on all who live by her credo; and basic to liberty is that the market computer be not rigged. Freedom follows the free market![9] ◈

[9] For an explanation of this assertion, see *The Freeman*, January, 1963, pp. 18-27.

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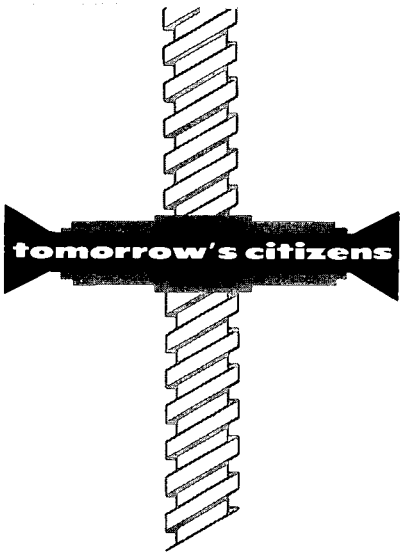

ROBERT K. NEWELL

IN MANY WAYS the American people are more conscious of the wants and necessities of future generations than at any time in our history. The projected population increase and all the attending problems of adequate nutrition, housing, and even recreational requirements are always kept in public view. Private insurance programs and other investments provide future funds for higher education, development of artistic and productive talent, or simply broadening the economic base from which tomorrow's citizen will enter society. Emphasis has been placed on all facets of the problems facing tomorrow's citizens except the most important matter of all – the political climate in which the citizen must function.

Politics and its complexity of problems has occupied man's interest since the earliest attempts at civilization. Yet after thousands of years of study and discussion, endless wars, and immeasurable suffering, humanity still stands perplexed and unable to agree upon the simplest matters involving the duties of the political state, the responsibilities of citizenship, and the illusive prize of the ages, the promotion of social justice. Political societies have come and gone while man has been ascending the slippery incline of civilization, and though mankind has advanced, the basic problem remains essentially the same. The conflict between strongly centralized government and the individual's spiritual need for opportunity, challenge, and accomplishment continues openly today in most nations and more subtly within individuals themselves.

Modern governments carry the same seed of self-destruction that so often plagued political predecessors – excessive application of basic premise. The basic premise of communism happily asserts that men should hold everything in common, contributing accord-

Mr. Newell operates a farm near Marcellus, Michigan, one of his "crops" being an occasional article.

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ing to their ability, and receiving from society in accordance with need. All pretense of lofty idealism disappears in application as authoritarian government is required to determine the individual's capacity and requirements. The basic premise of democracy centers around the autocratic right of the majority to impose their will upon the minority. Totalitarian government in any form asserts whatever it chooses and has sufficient power to enforce. Communism, totalitarianism, and democracy, either by application or degeneration to mob rule, subject society to tyrannical government. All completely ignore the right of the individual to serve as the architect of his own future and all equate political power with wisdom and social justice.

The authors of our constitution were well aware that injustice is often the major by-product of majority rule. Anxious to incorporate self-determination into the philosophy of the new nation, and equally determined to preserve the individual, they devised a unique constitutional republic based on the democratic process but more especially devoted to defense of the rights of individuals and minorities against infringement by the majority. Liberty, as constitutionally defined, has endeared itself to many Americans as a priceless political and philosophical heritage.

Government, however, perpetually evolves and is never entirely stable; rebellion and revolution bring dramatic change; but more often changes are subtle and imperceptible as societies quietly move through ideological forests. Republican government varies as the character of its citizenry varies, simply reflecting through the state what its citizens have become. The future strength or weakness of the republic, as in any democratically oriented state, depends entirely upon the strength or weakness of men. Governmental change is only the notation; the basic change is in the desires and attitudes of its people.

Since the republic derives its power and plans its future by consent of the people, liberty must be regarded as an unending responsibility rather than an inherited and self-perpetuating gift supplied by the vague guarantees of birthright. When citizens take their constitutional heritage and political continuity for granted and trade personal responsibility for governmental security, the course of the nation is deflected from the constitutional goal of promoting and insuring social justice through individual effort. Autocratic government grows relentlessly and automatically by

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simply filling the void created as the individual gradually abandons self-responsibility. While it is convenient to condemn government for the abrogation of human liberty as the nation hurries down the road to statism, the real culprit is the lethargic indifference of the citizen.

The exact political system under which tomorrow's citizens must live is beyond imagination, but present trends are far from encouraging. One-third of the national income is confiscated by government at all levels to help meet the ever-increasing demands of voters for socialized solutions to private problems; balanced budgets are the exception rather than the rule; and pleading the case for financial responsibility is a risky course for any political hopeful to pursue.

Totalitarianism in many subtle forms, though always in the respectable dress of democratic majority rule, plays an ever-increasing role in the private affairs of the American citizen. The individualism that once was the American tradition is now scorned by many as being detrimental to a united front. But simply because one happens to agree with the majority at the moment, is no assurance that at some future date he or his loved ones will not find themselves with the minority. Stripped of the constitutional guarantees they now so willingly surrender, they too will be forced to stand and face the crowd in quiet despair. Life will have little meaning if tomorrow's citizens become mere political pawns, controlled by the caprice of the majority or shepherded from one governmental pasture to the next at the discretion of a socialized superstate. To be guaranteed the necessities of life and systematically relieved of all obstacles that tend to produce self-respect through self-reliance, is not a worthy goal when the price the citizen must pay is liberty, human dignity, and opportunity for spiritual growth. Life can indeed be sustained by adequate nutrition and adequate housing if life is regarded as merely a weary pilgrimage to the grave. But, effective living depends upon a host of intangible quantities which are only available if the citizen is politically free to attain the highest pinnacle of human dignity to which he may aspire.

If tomorrow's citizens are to be offered an opportunity to harvest the abundant fruits of liberty, individualism must survive the ideological fury of modern politics and democratic mobocracy. The route to an improved political climate is through the minds of individuals. ◈

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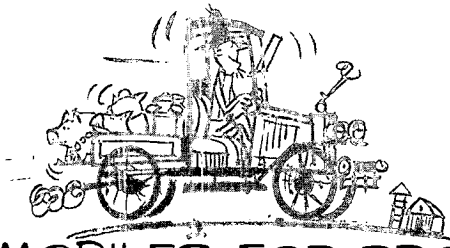

AUTOMOBILES FOR PROFIT

CHRISTY BORTH

WESTERN EUROPE should have led the world in the automobile business. It had many established industrial centers, linked together with fine roads and all in a rather compact geographical area. Developed sources of raw materials were handy. There was great superiority in technology, in chemistry and metallurgy especially; French, German, and Swiss firms made alloy steels years before Americans even attempted them. An abundance of skilled labor was available, and there was venture capital in plenty and a ready market of many wealthy customers for this mechanical novelty.

In contrast, these United States were then still physically disunited. Our people were preponderantly agrarian. Our industrial centers were few and widely scattered in a vast geographic area, usually along waterways. Roads? In 1900 there was barely an inch of pavement beyond city limits in this enormous land; even in cities only a few streets were paved.

When it came here, the automobile was a costly toy for "the happy few." This plaything for rich playboys the Americans took and soon adapted so well to a hostile milieu that it became the common tool for everybody's transport. In the course of its adaptation, streets and roads got paved, and a land that was as roadless as the most primitive Balkan backwoods acquired – in the short span of 50 years – the finest network of roads in the world.

Some say all this was due to superior know-how. That is arrant nonsense; it is only slightly less idiotic than to attribute it to greater natural resources. That superior know-how was in West-

This account by "the unofficial historian of the automobile industry" is from an article, "Start of a Love Affair," in the Summer 1963 issue of *Petroleum Today*.

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ern Europe; the natural resources were here when pre-Columbian people starved among them. And greater natural resources are known to abound in other lands, where to this very day people still starve among them.

Why, then, America? Freedom provides the only sensible answer to the riddle. The unique thing about the American's love affair with Europe's automobile is that here an entire people could act freely, each person as an enterprising individual, free to do what he could to transform this toy into a tool. The motives? Let us not for a moment delude ourselves; each individual strove in the hope of a quick profit. ◈

IDEAS ON LIBERTY

It's All So Easy

or, *Compulsory Irresponsibility*

YOU don't have to find work [in Great Britain]; it has to find you. You don't have to go to work, they've got to get you there. You don't send the children to school, the school has to fetch them, and not on foot. You don't have to go where water, gas, electricity, and the telephone are economically available; those services have to reach out to you. You don't have to look around for better terms in your job. The unions will see that you get the standard rate everywhere.

GEORGE SCHWARTZ, from the *Sunday Times* (London)

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"SOCIALISM RE-EXAMINED"

FRED G. CLARK and Richard S. Rimanoczy, who, as top officers of the American Economic Foundation, are free enterprisers from way back, spend a fair amount of time praying for the conversion of that old war horse of American socialism, Norman Thomas. But just when they think they have argued Mr. Thomas into accepting their capitalistic views about the economic underpinning of freedom, the old socialist gives an ideological wriggle and is off the hook.

"We thought we had him the other day," said Mr. Rimanoczy, "but he boggled at the idea that there could be any justification for large inherited incomes. We couldn't make him see that an heir is soon separated from his fortune if he uses it badly."

Mr. Thomas is, indeed, a most exasperating man. In his *Socialism Re-examined* (Norton, $4.00), he seems everlastingly on the verge of discovering that socialism and freedom are contradictory terms. But just when he is about to let logic convince him, there comes the invariable ideological wriggle – and he is back on the same old track.

A person who dips here and there into Mr. Thomas' book might think he was making the acquaintance of a convinced anti-socialist. On page 157 Mr. Thomas says that "government or a government authority as employer, neither here nor in Russia, is the perfect answer to the dream of workers with hand and brain." To which he adds as a footnote: "Especially not in the newspaper business; the government must not own the press if there is to be freedom."

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Now, if you have any trust in logic, you would expect Mr. Thomas to broaden these perceptions in certain obvious ways. If a newspaper is to be free, it must have sources of uncoerced income, mainly advertising from autonomous business units. It must have access to newsprint on a competitive basis. Ditto for linotype machines, typewriters, and what not. And, in turn, the makers of linotype machines must have access to steel in a competitive market.

But instead of following a train of logic to a conclusion, Mr. Thomas insists that the steel mills of the nation should be run as a sort of super-TVA, with the government serving as the monopolistic source of supply. And, with private profit "eliminated" in "basic industries and services" (Mr. Thomas' demand at another point), just how much control of advertising would be left in private hands? Would we, then, have free newspapers in Mr. Thomas' dream world? Tell it to the canaries.

Some Missing Links

In still another place (see page 137) Mr. Thomas says there should be room in the socialist's theoretical argument "for something like our present price system for exchange of goods and for private enterprises operated for private profit subject to control by taxation and enlightened labor legislation. . . . For the state, under any system, to try to own and operate everything, would deprive us of some of the important values of private initiative and responsibility. It would put too heavy a strain on the state. Cooperatives, both of producers and consumers, as alternative forms of social ownership, have their very valuable place."

Query for Mr. Thomas: How do you have a "price system" if goods and services aren't in the possession of individuals and groups who are empowered to raise or lower prices in accordance with supply and demand?

Second query for Mr. Thomas: Isn't U.S. Steel a "cooperative" owned by "producers" – i.e., by stockholders who employ managers – and isn't this cooperative for the making and selling of steel already controlled by taxation (52 per cent of its profits before taxes) and a labor legislation that compels it to deal with the CIO?

Third query for Mr. Thomas: If the government were to take over the ownership of the steel mills and set the price of steel at a point below the true competitive price, wouldn't it be presenting an extra margin of profit to General Motors and Chrysler and Ford? Of course, the automobile com-

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panies, using cheaper steel, could lower their prices in turn. But, in a competitive car market, would they? And if they did, wouldn't labor object? After all, when automotive profits are good, the unions can hope to get a bigger slice of income for themselves.

Land Reform

In a third spot (see page 139) Mr. Thomas avers that "man's desire for a piece of land he can call his own is deeply rooted and widespread. Private ownership of land . . . should therefore be permitted, but on the basis of occupancy and use."

Of course, Mr. Thomas so hedges his support of "private ownership of land" by so so many "exceptions" that it becomes almost meaningless. He would tax the rental value of land away, thus denying one "use" to its owner. He would make everything below the surface of the land "public property," and he would not even allow a farmer to make free use of a big wood lot. People, says Mr. Thomas, "should not own what they did not make." Well, if Mr. Thomas really means this, nobody should own surface soil (made by geological forces), to say nothing of what is under the surface (also a geological product). For that matter, why should people own cows, horses, or chickens, or even their own bodies? They didn't make any of these, either.

Government Planned Free Trade!

In a fourth place (see page 196) Mr. Thomas says governments must "plan" their economies. He qualifies this in the case of the advanced European nations by saying that "it has been necessary carefully to plan for free trade within a Common Market, and with the nations outside it." He then goes on to say that "planning" should be "consciously socialist."

Try as I may, I don't see how anyone with any sense of logic at all can say that "free trade" is possible between "socialist" nations. Who, in a "planned" system, is free to trade outside the dictates of the "plan"? If a government owns the steel industry, could you or I as importers get steel from it on a free market basis if the "plan" stipulates that such and such a tonnage shall go for housing, or automobiles within a country?

The Seen and the Unseen

Mr. Thomas is a humane man. He draws back from all sorts of communist and socialist compulsions. He is not in favor of allocated labor service. He would not like to see a single party get con-

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trol of a country for anything more than a period stipulated in law. He would not like to see any trammels put on free expression of opinion.

But who taught him logic? Who taught him to read the dictionary? The answer is: nobody.

No wonder the Messrs. Clark and Rimanoczy despair of pinning him down.

As a matter of cold, brute fact, the Socialist Party platform to which Mr. Thomas subscribes is a formula for depriving 180 million people of virtually all creative initiative. Mr. Thomas and his chosen party would make the "income tax truly progressive." (Good Heavens!) They would extend "progressive taxation" to undistributed corporate income. (This on top of the present 52 per cent tax on gross corporate income?) They would seize and use any idle plant capacity. (Thus keeping capital from flowing into new fields?)

If this sort of thing is what "socialism re-examined" yields, it reads just like a prescription for the same old tyranny complicated by the same old slow-down. Neither you nor I would lift a finger to do anything beyond a certain point if there were a "truly progressive income tax" to pay for all the things that Mr. Thomas wants the government to pay for. ◈

▸ RUMBLES LEFT AND RIGHT by William F. Buckley, Jr. (New York: G. P. Putnam's Sons, 1963, 251 pp., $4.95).

CONFESSIONS OF A BOHEMIAN TORY by Russell Kirk (New York: Fleet, 1963, 308 pp., $4.50).

THE CONSERVATIVE AFFIRMATION by Willmoore Kendall (Chicago: Regnery, 1963, 272 pp., $5.95).

Reviewed by Edmund A. Opitz

WILLIAM F. BUCKLEY, JR. is as brilliant in print as he is on the public platform, which is saying a good deal. He brings fresh insights to such topics as American education and integration. He takes on a collection of opponents and spanks them one by one, chivalrous to the last. He writes tenderly of Whitaker Chambers and exuberantly of sailing. He uses the passing scene to emphasize the validity of permanent principles.

So does Russell Kirk in his collection of essays. Dr. Kirk is not a Tory, really, nor much of a bohemian; his memoir on his own development spares us the bathos of the usual confession. Instead, he writes engagingly of the places he has been, the people he has met, and the things he stands for.

Professor Kendall makes demands of his readers. When pursuing an argument, his mind takes on a relentless quality. He restates

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the opposition's case, often more clearly than the original, and then proceeds to tick off the rebuttals till little is left of it. He gives John Stuart Mill a rough time, he disembowels the myth of a social contract, he argues as a Christian against Christian pacifism. And to top it all off he offers a conservative appraisal of some thirty recent books on politics.

Wind up the "Liberal" and he says, "Change it!" He is allergic to the variety, the waywardness, the irregularities of things, people, and society. The society of his Plan has all the rough edges smoothed off – the individual, the particular, and the concrete replaced by the collective, the general, and the abstract. The Conservative, on the other hand, delights in the rugged natural grain of things. He has a sense of process; acknowledging that every thing, person, and institution he confronts is the terminal result of a history as long as his own, he respects their integrity. He regards alteration for the sake of mere innovation as bordering on sacrilege. He recognizes that society is no mere arithmetic or mechanical arrangement of replaceable parts, rearrangeable by fiat. Society is more like a growing thing; hack off and transplant at random and you kill or cripple it. As a conservationist he is not opposed to change per se, but he aims to cooperate with life, not dictate to it. Disintegration is one kind of change, growth another; and the conservationist tries to keep his prescribed changes within the larger patterns of growth. Precisely how this is to be done is, of course, one of the points at issue among Conservatives, and the three authors under review do not always agree among themselves – which makes for lively reading. ◈

▸ *HOW THE FAR EAST WAS LOST*, by Anthony Kubek (Chicago: Regnery Company, 1963. 480 pp., $8.75)
Reviewed by Percy L. Greaves, Jr.

EVEN American politicians are fallible, and their ignorance of the principles on which this country was founded led to the communist conquest of China and surrounding areas.

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man," writes Dr. Kubek. "Retreat to the debilitating habit of the ages – magnification of the State and a consequent shrinking of man – has been all too evident. This reactionary reversal of the most promising social and political endeavor in history has characterized itself by the customary devices of oppression: private affairs of citizens encompassed by mounting taxes, controls, and interference; military conscription; perpetual involvement in foreign interventionism and war . . . .

"Committed to a libertarian and pacific course, America's conduct among the nations of the world could, consistent with her liberal ideal, command unsought respect and influence. Conversely, today's hollow preachments, belied by our practice, garner the type of respect and influence customarily enjoyed by a wealthy hypocrite." ◈

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